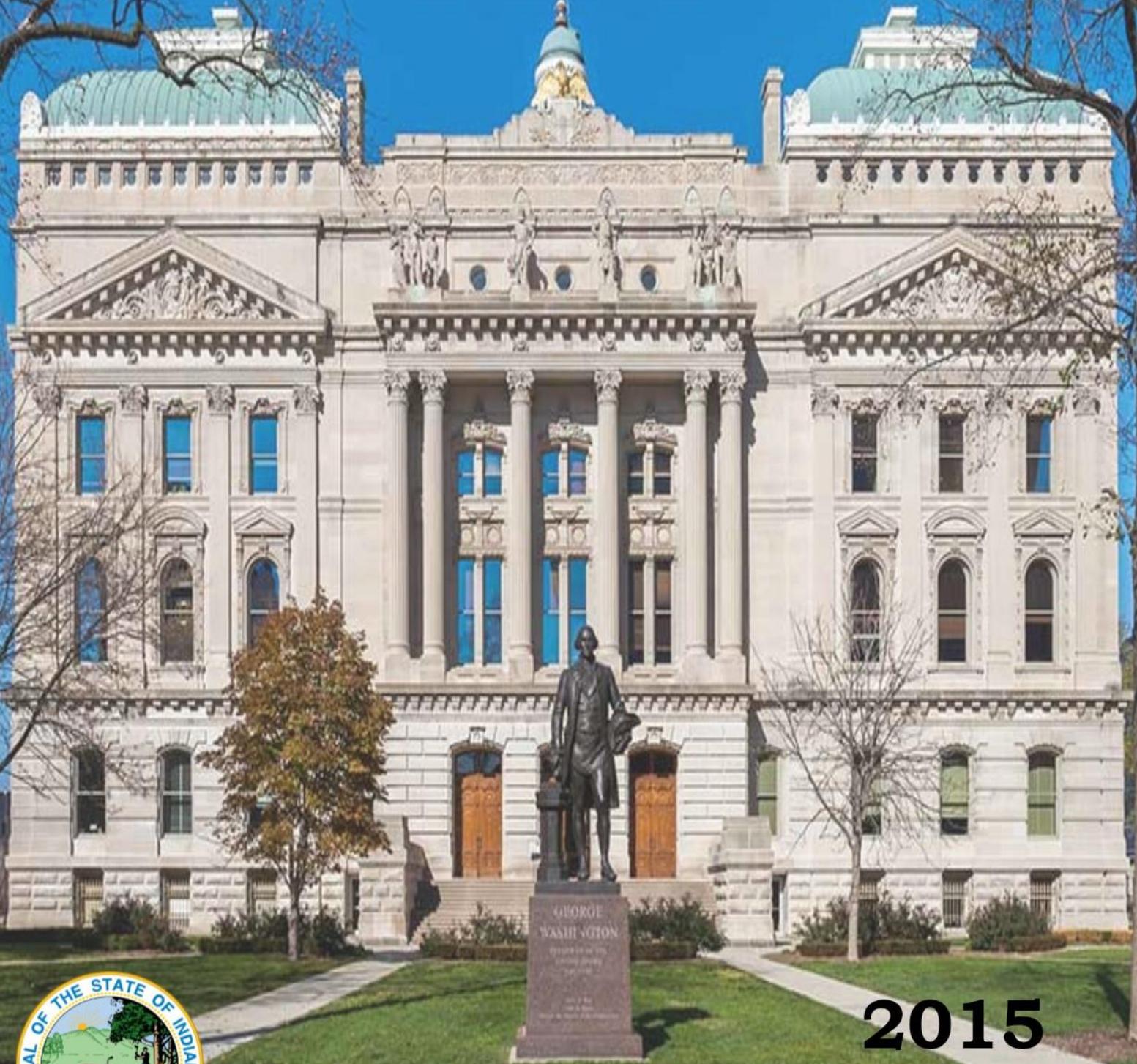


Indiana Department of Financial Institutions



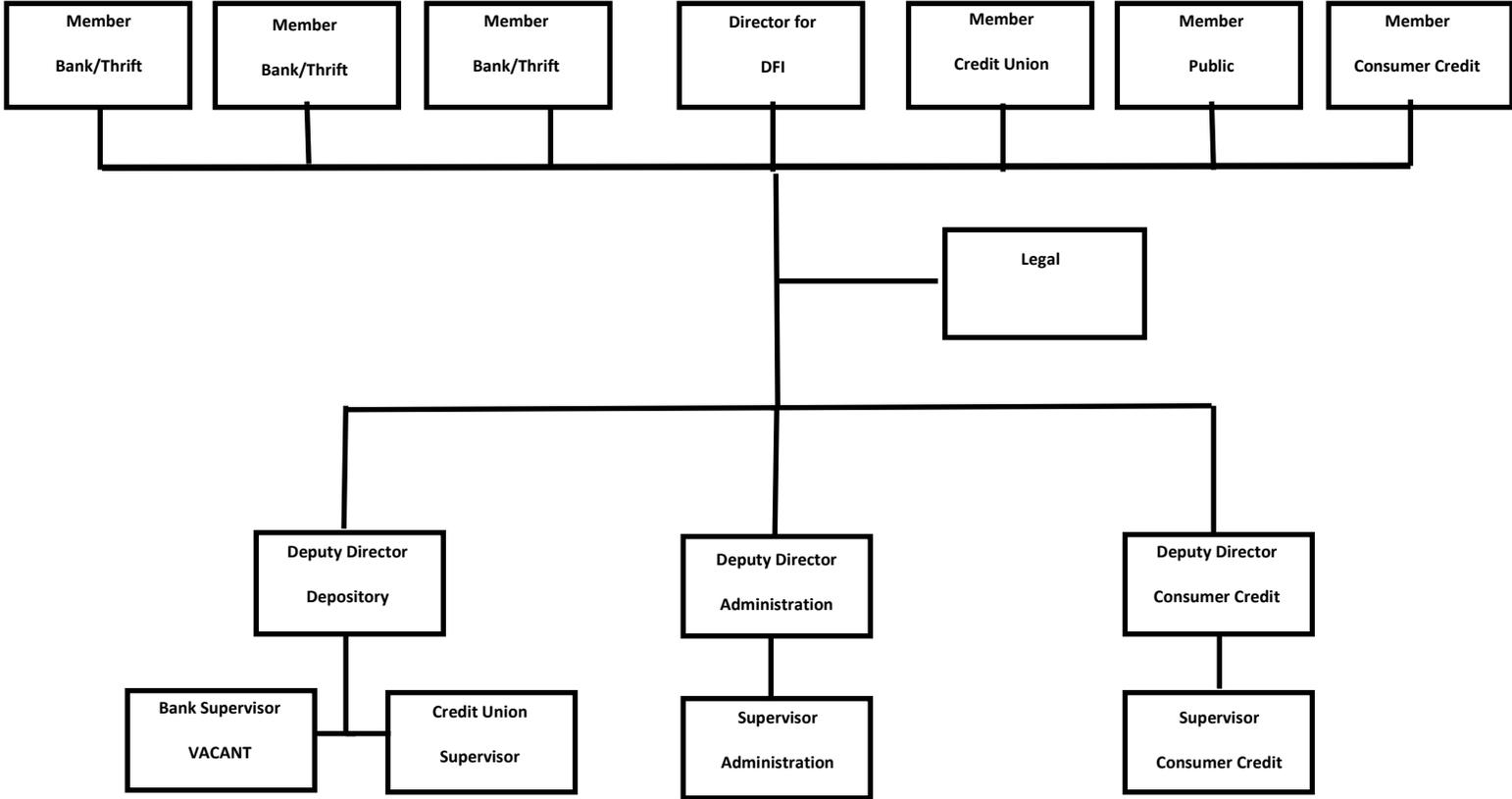
Governor: Mike Pence
Lt. Governor: Sue Ellespermann

2015
Annual Report

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Department of Financial Institutions



Department of Financial Institutions
DIRECTORS

DIRECTOR	FROM		TO	
Richard McKinley	January	1933	November	1939
Ross H. Wallace	January	1940	June	1943
A.J. Stevenson	July	1943	December	1944
Joseph McCord	January	1945	September	1965
Donald H. Sauer	October	1965	June	1969
James Faris	July	1969	June	1980
William T. Ray	July	1980	June	1983
Ruth D. Harrison	July	1983	May	1989
Charles W. Phillips	June	1989	June	2005
Judith G. Ripley	August	2005	September	2009
David H. Mills	September	2009	January	2014
Dennis L. Bassett	March	2014	April	2015
Tim Berry	June	2015	November	2015

DEPARTMENT OF FINANCIAL INSTITUTIONS

Mission

To regulate and supervise financial services providers in a manner that assures the residents of Indiana adequate and proper financial services; protects the interest of depositors, borrowers, shareholders and consumers; promotes safety and soundness in Indiana financial institutions; and advocates and enforces compliance with applicable state and federal laws.

Vision

To be among the best state financial services regulators in the country by consistently applying appropriate safety and soundness standards, assuring consumer protection, and promoting economic development.

Stakeholders

The Department's primary stakeholders are the public, legislative bodies, regulated financial services providers, other regulatory agencies, financial services associations, and its employees.

Goals and Strategies

Consistent with the Department's identity, vision and goals, the Members, the Executive Team, and the Senior Departmental staff have adopted goals and strategies to:

- Maintain a qualified, diversified, effective, and empowered staff with a focus on continuous improvement, professional development, integrity, and a collegial, challenging work environment.
- Develop and maintain an effective management structure with emphasis on leadership training, continuing technical education, strategic planning, management succession, fiscal responsibility, and policy development.
- Use a set of consistent regulatory standards to evaluate the adequacy of existing regulation and to consider the need for new regulation of financial transactions not presently supervised.
- Be proactive with Indiana State Legislators to keep Indiana in step with the changing financial services environment, protect consumers, and promote economic development.
- Monitor, embrace, and implement advancing technology in all forms of communications and computer technology to maximize Departmental efficiency, to provide more effective regulation, and to challenge our employees towards higher levels of performance.

MEMBERS OF THE DEPARTMENT

Richard J. Rice, Chairman
South Bend
Credit Union Experience

Mark A. Schroeder, Vice Chairman
Jasper
Bank/Thrift Experience

Donald E. Goetz
Demotte
Bank/Thrift Experience

Michael W. Davis
Muncie
Consumer Credit Experience

Jean L. Wojtowicz
Indianapolis
Member at Large

Paul R. Sweeney
Vincennes
Bank/Thrift Experience

Thomas C. Fite
Interim Director
Department of Financial Institutions

DEPARTMENT PERSONNEL

Thomas C. Fite, Interim Director

DIVISION OF BANKS AND TRUST COMPANIES DIVISION OF SAVINGS BANKS, SAVINGS AND LOAN ASSOCIATIONS

Thomas C. Fite, Deputy Director
VACANT, Bank Supervisor

SPECIAL ACTIONS

Kirk J. Schreiber, Senior Bank Analyst
Examiner

REGULATION & SUPERVISION

Richard C. Nelson, Senior Review

BANK DIVISION EXAMINATION STAFF

J. Deron Thompson, Regional Field Supervisor
Paul G. Brockman, Regional Field Supervisor
Chris C. Dietz, Assistant Regional Field Supervisor
Patrick W. Land, Assistant Regional Field Supervisor

David H. Hoeferkamp – I
Jacob P. Swanson – I
Marc A. Ward – I
Alfred R. Westfall – I
Steven R. Wachter – I
Robin R. Upchurch – I
Craig R. Smith – II
Kristy N. Hubele - II

Vernita L. Early, C.P.A. – III
Beau E. Huelster – III
Sam A. Patterson – III
Tyler J. Shearer - IV
Gage L. Russell - IV
Michael J. Nickell – IV
Saisddarath Kalva - IV

Roman numerals denote field examiner grade level

DIVISION OF CREDIT UNIONS

Thomas C. Fite, Deputy Director
Mark K. Powell, Supervisor

Mark A. Walter – I
Matthew R. Dilly – I
Gloria A. Thomson, C.P.A. – I

Charles R. Hall – I
Amanda L. Hoff - II

DIVISION OF CONSUMER CREDIT

Mark B. Tarpey, Deputy Director
Ryan E. Black, Consumer Credit Supervisor
Tabitha M. Butts, UCCC Licensing Analyst

DISTRICT 1

Scott J. Imbus Field Supervisor
Ned W. Brown - I
Matthew T. Uhl - II
Richard W. Norrell - III
Robert M. Payne - III
Nancy G. DeGott - IIII

DISTRICT 2

Aaron B. Sweet, Field Supervisor
Kent D. Sager – I
Dee A. Stauffer - I
Mitchell D. Bowers - III
Trevor L. Nice - IV
Jennica E. Dominguez - IV

Roman numerals denote field examiner grade level

LEGAL DIVISION

Constance J. Gustafson, General Counsel

DIVISION OF ADMINISTRATION

Gina R. Williams, Deputy Director
Troy D. Pogue, Supervisor of Administration
Susan L. Ellison, Accountant
Laurie A. Girod, Program Coordinator

OFFICE SUPPORT STAFF

Angie M. Smith, Depository Division
Sharmaine W. Stewart, Depository Division
Kelly L. Nelson, Administration/Consumer Credit Division

EXAMINER CERTIFICATIONS

BANK DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER (“CEM”)

Brockman, Paul G.
Fite, Thomas C.

Thompson, Deron J
Dietz, Chris C.
Sweet, Aaron B.

CERTIFIED EXAMINER IN CHARGE (“CEIC”)

Hoferkamp, David H
Nelson, Richard C.
Pogue, Troy D.
Schreiber, Kirk J.
Land, Patrick W.
Swanson, Jacob P.

Upchurch, Robin R.
Wachter, Steven R.
Ward, Marc. A.
Williams, Gina R.
Westfall, Alfred R.
Smith, Craig R.

CERTIFIED CREDIT EXAMINER (“CCE”)

Early, Vernita L

Huelster, Beau E.

CERTIFIED OPERATIONS EXAMINER (“COE”)

Patterson, Sam R. III

CREDIT UNION DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER (“CEM”)

Powell, Mark K.

CERTIFIED EXAMINER IN CHARGE (“CEIC”)

Dilly, Matthew R.
Hall, Charles R.
Thomson, Gloria A.

Walters, Mark A.
Hoff, Amanda L.

EXAMINER CERTIFICATIONS

CONSUMER CREDIT DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER (“CEM”)

Tarpey, Mark B.
Imbus, Scott

Sweet, Aaron B.

COMPLEX INSTITUTIONS SPECIALIST (“CIS”)

Black, Ryan E.
Butts, Tabitha M.
Sager, Kent D.

Stauffer, Dee A.
Ned W. Brown
Uhl, Matthew T

DEPOSITORY/INVESTIGATION SPECIALIST (DIS)

Norrell, Richard W.

Bowers, Mitchell D.

CONSUMER CREDIT COMPLIANCE EXAMINER (“CCCE”)

Payne, Robert M.

OTHER CERTIFICATIONS

CERTIFIED PUBLIC ACCOUNTANT (“CPA”)

Butts, Tabitha M.
Early, Vernita L.

Sweet, Aaron B.
Thomson, Gloria A.

CERTIFICATION PLAN OVERVIEW

In 1999 the DFI adopted an examiner certification program that was intended to promote professionalism and provide an improved career path. The DFI Certification Program incorporates the structure developed by the Conference of State Bank Supervisors. It provides for multiple levels of examiner certification, each tied to a financial incentive contingent upon continued successful performance.

The available certification levels are as follows:

Bank and Credit Union Divisions

COE – Certified Operations Examiner
CCE – Certified Credit Examiner
CEIC – Certified Examiner in Charge
CEM – Certified Examination Manager
CPA – Certified Public Accountant

Consumer Credit Division

CCCE – Consumer Credit Compliance Examiner
DIS – Depository/Investigation Specialist
CIS – Complex Institution Specialist
CEM – Certified Examination Manager
CPA – Certified Public Accountant

Initial certification and the retention of the designation are dependent upon the examiner’s successful performance and professional development.

DIVISION MILESTONES

The following employees celebrated milestone anniversaries with the DFI during 2015

Executive Division

Gina Williams - 30 Years of Service

Banking Division

Richard Nelson - 35 Years of Service

Marc Ward - 30 Years of Service

Vernita Early - 20 Years of Service

Consumer Credit Division

Mark Tarpey - 40 Years of Service

Aaron Sweet - 10 Years of Service

Dee Stauffer - 20 Years of Service

DEPARTMENT OVERVIEW

The Department of Financial Institutions was created by the Indiana Financial Institutions Act of 1933 (“Act”). This Act incorporated substantially all of the recommendations of a 1932 Study Commission that had been formed to address the regulation and control of financial institutions after the Great Depression of the 1930s. It commissioned the Department with the responsibility for supervising commercial banks, trust companies, private banks, savings banks, building and loan associations, credit unions, and finance companies incorporated under the laws of the State of Indiana. Since that time the scope of the regulatory responsibilities with which the Department has been charged has been broadened substantially. In 1971, Indiana adopted the Uniform Consumer Credit Code “UCCC” in order to simplify, clarify, and modernize consumer credit laws. The Department became the administrator of the UCCC at that time. In addition to regulating licensees under the Uniform Consumer Credit Code, the Department’s responsibility has also been expanded to include the supervision of pawnbrokers, licensees under the Indiana Small Loan Act, industrial loan and investment companies, money transmitters, check cashers, budget service companies, and rental-purchase agreement companies. In 2008, the Indiana State Legislature assigned authority to the Department to license those first lien mortgage lenders who fund their own loans.

The Department is a non-cabinet level department of the executive branch of the Government of Indiana and is subject to legislative oversight and audit by the State Board of Accounts. It remains a self-funded (dedicated funds) agency that is entirely supported by fees paid by the institutions that are regulated and supervised by the Department. Indiana Code 28-11-3-5 grants authority to the Department to generate revenue and to fund ongoing operations. Annually, the Department adopts a schedule of fees to cover expected operating costs. Revenue is driven solely from supervision, examination, and license fees that are assessed to those financial institutions that are regulated by the Department.

Policy-making power is vested in a bipartisan board of seven Members who are appointed by the Governor. The Director of the Department serves as an ex officio voting Member. State law requires that three of the Members shall be persons of practical experience at the executive level of a state chartered bank; a state chartered savings association; or a state chartered savings bank; one Member shall be a person of practical experience at the executive level of a lender licensed under I.C. 24-4-5; one member shall be a person of practical experience at the executive level of a state chartered credit union. In appointment of the remaining Member of the Department, the Governor shall have due regard to a fair representation of the consumer, agricultural, industrial, and commercial interests of the state. Not more than three Members can be affiliated with the same political party.

DEPARTMENT OVERVIEW

The Executive Team consists of the Director, who serves as the chief Executive and Administrative Officer, and three Deputy Directors. The Director is responsible for the administration of the policies established by the Members and all applicable legislative actions or policies. The Director exercises managerial control over the work of the Department, including its staff of deputies, supervisors, examiners and administrative personnel.

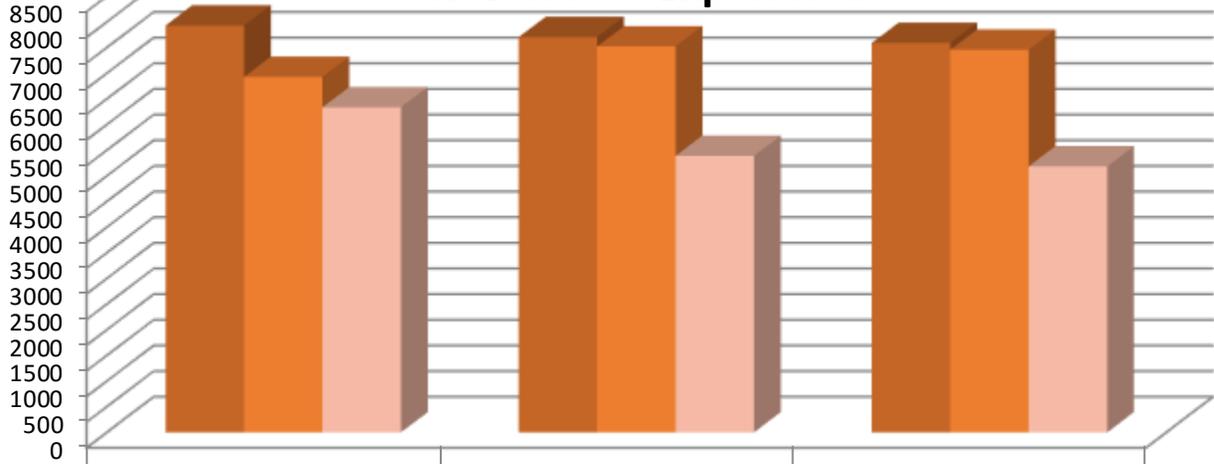
Five divisions reside within the Department, each under the direct control of a deputy or supervisor. These are the Division of Banks and Trust Companies, Division of Consumer Credit, Division of Credit Unions, Division of Administration, and the Legal Division.

REVENUE AND EXPENDITURES

<u>Revenue</u>	2015	2014	2013
Bank and Savings & Loan Fees	3,923,987	3,975,923	3,987,997
Credit Union Fees	998,927	995,001	953,551
Pawnbroking Licensing Fees	119,180	126,020	121,560
Application/Misc. Fees	243,720	67,660	44,760
Debt Management Companies	23,920	30,050	28,320
UCCC Fees	1,260,555	1,143,222	1,081,697
Payday Lenders	253,800	264,850	265,870
Rental/Purchase License	87,090	85,750	66,270
Money Transmitter Fees	63,000	63,240	50,910
Check Cashier Fees	41,850	20,470	56,690
GAP/Debt Cancellation	62,200	53,680	64,400
First Lien & Subordinate Lien Mortgage Lenders	452,980	478,840	587,446
Mortgage Loan Originators	398,782	399,100	282,700
Total Revenue	\$7,929,991	\$7,703,806	\$7,592,171
<u>Expenditures</u>			
Personnel Costs	5,770,911	6,197,392	6,175,829
Utilities, Telephone, Communication	100,604	112,587	117,591
Contract Services	247,947	248,418	266,832
Office Supplies	5,957	8,529	14,391
Equipment/Computers	7,749	7,415	29,075
Travel In-State	361,699	403,630	399,267
Travel Out-Of-State	8,321	7,412	9,170
Personnel Development & Related Travel	57,533	58,727	86,569
Office Leases, Dues, Subscriptions	368,829	479,647	358,588
Total Expenditures	\$6,929,550	\$7,523,757	\$7,457,312
Net Revenue (Expenditures)	1,000,441	180,049	134,859
Cash Balance, July 1	5,392,097	5,212,048	5,077,189*
Cash Balance, June 30	6,392,538	5,392,097	5,212,048*
Less Encumbrances	53,245	0	26,857
Fund Balance, June 30	6,339,293	5,392,097	5,185,191*

*Reflects corrections made to 2012 figures

Revenue & Expenditures



	2015	2014	2013
Revenue	7930	7704	7592
Expense	6930	7524	7457
Fund Balance	6339	5392	5185

LEGISLATIVE CHANGES

The Indiana Department of Financial Institutions (“DFI” or the “Department”) administers the Indiana Financial Institutions Act (IC 28 *et seq.*) which includes state chartered banks, corporate fiduciaries, credit unions, thrifts and industrial loan and investment companies. The Department also administers various consumer credit acts including First Lien Mortgage Act (IC 24-4.4 *et seq.*) (“FLMA”); Uniform Consumer Credit Code (IC 24-4.5 *et seq.*) (“UCCC”); Indiana Rental Purchase Agreements (IC 24-7 *et seq.*); Debt Management Act (IC 28-1-29 *et seq.*); Indiana Pawn Law (IC 28-7-5 *et seq.*); Money Transmitters (IC 28-8-4 *et seq.*) and Check Cashers (IC 28-8-5 *et seq.*) The Department also administers the Mortgage Loan Originators Rule (750 IAC 9 *et seq.*)

Commonly referred to as the DFI Omnibus Bill, House Enrolled Act 1287 (“HEA 1287”), is comprised of a number of provisions assembled by the DFI staff during the preceding year consisting of corrections and improvements to the various acts administered by the Department and amendments required to keep Indiana law consistent with various federal laws. While much of HEA 1287 is technical or non-substantive, the following are “frequently asked questions” or “faqs” designed to help our licensees, regulatory staff and the general public learn about the changes HEA 1287 made affecting financial institutions and consumer credit organizations. Governor Pence signed HEA 1287 into law on May 5, 2015 (which is the effective date for those sections that are effective on passive). Other sections became effective on July 1, 2015.

The following is legislation adopted by the General Assembly in the 2015 session which we thought would be of interest to the department, its constituencies, staff and members. These are brief summaries and are by no means a comprehensive explanation of the bills. We recommend a complete review of any bill of particular interest. A complete list of all legislation enacted or considered in the 2015 General Assembly can be found at the following link: <http://iga.in.gov/legislative/2015/bills/> or by going to the Indiana General Assembly web site.

HEA 1287 Financial institutions and trade regulation (commonly known as the "DFI Omnibus Bill"). The following is a brief summary of HEA 1287 which was signed by the Governor on May 5, 2015. It contains mostly clarifications and corrections of changes made in previous years. All provisions became effective July 1, 2015.

The following are significant provisions of HEA 1287:

LEGISLATIVE CHANGES

- IC 4-32.2-1-1; 24-8-1-1; 35-45-5-7 and 35-45-5-13: Extends prize-linked savings programs (which were adopted in 2014 for credit unions) to national banks, state banks and savings associations following the adoption by Congress of the American Savings Program Act in December, 2014.
- IC 23-15-8-5 and 28-1-22-1.5: Adds new provisions allowing an "eligible institution" to voluntarily file with the Indiana Secretary of State a notice stating its registered agent and office. Eligible institutions are national, foreign or state banks, savings banks, trust companies, corporate fiduciaries, credit unions, industrial loan and investment companies, or savings that are domiciled in Indiana. Since they are not required to register with the Secretary of State, these amendments address a problem affecting national banks domiciled in Indiana which often find that litigation against their organization is served upon the wrong entities within their corporate organization. This voluntary provision allows these national banks to place on file with the Secretary of State the entity which is appropriate to serve process upon in the event of litigation against the organization.
- IC 24-4.5-2-204 and IC 24-4.5-3-204: Clarifies the language to confirm that a deferral of an unpaid installment cannot exceed maximum rate.
- IC 24-4.5-3-501.5; 24-4.5-3-502 and 24-4.5-3-502.1: Clarifies that non-mortgage consumer loans, subordinate lien mortgage loans and small loans (aka payday loans) each require a separate license.
- IC 24-4.5-7-102: Clarifies that a person is regularly engaged and must obtain a small loan (aka payday loan) license if the person makes one or more small loans in a year. This provisions distinguishes payday loans from consumer credit transactions which require that a person making at least 25 unsecured consumer loans or sales or at least 5 consumer loans or sales secured by a mortgage is regularly engaged and must obtain a consumer credit license.
- IC 24-4.5-7-401: Payday lenders may not compel a consumer to pay money before allowing the consumer to enter into extended payment plan. DFI field staff recommended this addition to the law based upon experiences in the field.
- IC 24-7-5-11 has been amended to allow rental purchase companies to increase the liability waiver fee from a flat \$2.00 fee to the greater of 10% of the lease payment or \$2.00.
- IC 28-1-20-4: Updates the naming conventions for financial institutions to prohibit the use of variations of the word "bank" if they /create a substantial likelihood of misleading the public.

LEGISLATIVE CHANGES

- IC 28-7-1-17: Updates the information required to be placed in a credit union's loan file. While the requirement that a title policy must be obtained has been deleted from the statute, credit unions, in keeping with the loan policies adopted by each credit union, are still required to obtain title insurance in connection with mortgage loans. In connection with this revision of the statute there is also the acknowledgement by the department that some circumstances should permit the credit union to use discretion as to whether another title policy is necessary. For example, a credit union might decide to dispense with an updated title policy in a refinance of the property on which there is no mortgage.
- IC 28-7-1-18: Extends the requirement that the DFI examination for federal credit unions converting to state credit union must be made not later than 75 days instead of 30 days of receiving certified copies of minutes authorizing a conversion.

HB 1002 Ethics. (Effective July 1, 2015) While much of the bill deals with new ethics provisions relating to legislators and amendments to lobbyist laws, there are significant revisions to the ethics laws affecting state employees, state officials and special state appointees (sometimes referred to in this summary as "state persons"), particularly relating to post-state employment work, conflicts of interest and use of state materials, equipment and facilities. This summary will focus on the amendments to the ethics laws affecting state persons:

- **IC 4-2-6-9 Conflict of economic interests**
The 2015 amendment adds a new provision which allows a state person who identifies a potential conflict of interest to file a written disclosure statement with the ethics commission that, among other things, describes the implementation of a screen (commonly referred to as a "Chinese wall") established by the ethics officer. The written disclosure filed under this provision must be posted on the inspector general's web site.
- **IC 4-2-6-10.5 Prohibition against financial interest in contract; exceptions**
Due to an amendment in 2015, the prohibition against a state person having a financial interest in an agency contract does not apply to a state person who files a written statement with the inspector general before executing the agency contract which contains, among other things, an affirmation that the state person did not participate in or have contracting responsibility for the agency, a full disclosure of all related financial interests, a statement indicating that the contract can be performed without compromising the performance of the state person's official duties and, in the case of a contract for professional services, an affirmation by the agency that no one else on staff is available to perform those services.

LEGISLATIVE CHANGES

- Failure to file a statement or filing a deficient statement is subject to a civil penalty of not more than \$10 for each day the statement remains delinquent or deficient up to a maximum penalty \$1,000.

- **IC 4-2-6-11 One year restriction on certain employment or representation; advisory opinion; exceptions**

The section prohibiting acceptance of certain employment until 365 days have elapsed has been substantially revised and clarified.

- A 2015 amendment to **subsection (f)** provides that the 365 day prohibition does not apply to a state person who did not negotiate any contracts with the potential employer in the preceding two years before termination of state employment or contracts negotiated in the preceding two years are no longer in effect.
- A 2015 amendment to **subsection (g)** provides a waiver may be obtained on a case by case basis from the commission allowing acceptance of employment before the 365 days have elapsed if the commission finds, among other things, whether the prospective employment may be beneficial to the state or the public and the extent of economic hardship to the employee if the request for a waiver is denied.
- Another 2015 amendment in **subsection (i)** addresses a situation that would otherwise be a violation of the 365 day prohibition and addresses a situation in which a former state employee as a non-employee is able to obtain insurance or other benefits from a trade association or other industry organization. Specifically, this provision allows a former state person who “forms a sole proprietorship or a professional practice and engages in a business relationship with an entity that would otherwise violate this section” to file a disclosure statement with the commission not later than 180 days after separation from state service certifying that the former state person is not an employee of the entity and stating in detail the treatment of taxes, insurance, and any other benefits between the entity and the former state person.
- **IC 4-2-6-17 Unauthorized use of state property**
This is a new section adopted in 2015 to provide that a state person may not use state materials, funds, property, personnel, facilities, or equipment for purposes other than official state business unless the use is expressly permitted by a general written agency, departmental, or institutional policy or regulation that has been approved by the commission.
- The commission may withhold approval of a policy or rule that violates the intent of Indiana law or the code of ethics, even if Indiana law or the code of ethics does not explicitly prohibit that policy or rule.
 - An individual who violates this provision is subject to action under IC 4-2-6-12 which includes, among other things, imposition of civil penalties; reprimand, suspension, or termination of employment and barring a person from future state employment.

LEGISLATIVE CHANGES

- **IC 4-2-7-5 Code of ethics; filing ethics complaint** A 2015 amendment provides that the code of ethics adopted by the inspector general must prohibit:
 - (1) A state person from using state materials, funds, property, personnel, facilities, or equipment for a political purpose, and
 - (2) Adoption of policies or regulations that authorize a state person to use state materials, funds, property, personnel, facilities, or equipment for a political purpose.

HB 1015 Benefit corporations. (Effective January 1, 2016) This bill adds a new Article 1.3 to Title 23 permitting the formation of a for profit corporation as a benefit corporation.

- Allows a benefit corporation to incorporate for:
 - a general public benefit (i.e. "...a material positive impact on society and the environment, taken as a whole, assessed against a third party standard, from the business and operations of a benefit corporation....") or
 - a specific public benefit (i.e. "a benefit that serves:(1) one (1) or more public welfare, religious, charitable, scientific, literary, or educational purposes; or (2) other purposes or benefits beyond the strict interests of the shareholders of the benefit corporation....")

HEA 1302 Expungement. (Effective July 1, 2015) Substantial revisions to the law on expungement were adopted in the 2013 and 2014 legislative sessions. The changes in 2015 are largely "tweaking" the efforts of the previous two years.

- Provides that expungement provisions concerning an arrest that does not lead to a conviction also apply to criminal charges or juvenile delinquency allegations that do not lead to a conviction.
- Specifies that a person who files for expungement of an arrest, charge, or juvenile delinquency adjudication that did not lead to a conviction or juvenile delinquency adjudication may file the petition in a circuit or superior court.
- Provides that if a court has no discretion in granting an expungement petition, the prosecuting attorney is not required to inform the victim of the victim's rights.
- Provides that a person convicted of: (1) two or more felony offenses involving the unlawful use of a deadly weapon; (2) that were not committed as part of the same episode of criminal conduct; may not have the person's convictions expunged.

HEA 1403 Regional cities. (Effective upon passage) This project is one of particular interest to Governor Pence. Originally a portion of the funding was to come in part from the use of the Financial Institutions Funds established under IC 28-11-2-9. This source of funding (as well as other sources) was abandoned in favor of \$84 million from a newly established tax amnesty program.

LEGISLATIVE CHANGES

- Establishes the Indiana regional city fund to provide grants and loans to regional development authorities.
- Provides that the Indiana economic development corporation administers the fund.
- Provides that when the board awards a grant or makes a loan from the fund, the Indiana finance authority, upon request of the board, may determine that part of the grant or loan shall be made from the environmental remediation revolving loan fund under certain circumstances.

SEA 282 Unclaimed property act and savings bonds. (Effective July 1, 2015)

- Provides that, for purposes of the law concerning unclaimed property, United States savings bonds are presumed abandoned three years after the date the bonds stop earning interest.
- Requires the attorney general to: (1) collect any United States savings bonds escheated to the state, including any proceeds from the bonds; and (2) transfer all money received to the treasurer of state for deposit in the abandoned property fund.
- Allows a person who wishes to make a claim for a United States savings bond escheated to the state to file a claim with the attorney general.

BANK AND TRUST DIVISION

The bank and trust division is responsible for the supervision of Indiana's state-chartered commercial banks, savings banks, savings associations, industrial loan and investment companies, and corporate fiduciaries. The division, through examination and supervisory activities, seeks to ensure that these organizations are operated in a safe and sound manner, that the public has confidence in the financial system, and that the interests of depositors, creditors and consumers are protected. Examinations, financial report analysis, and monitoring are the primary tools used to meet those responsibilities. Division staff is also responsible for applying the laws that govern regulated institutions. Titles 28 (Financial Institutions), 29 (Probate), and 30 (Trusts and Fiduciaries) of the Indiana Code are the relevant state laws.

As of December 31, 2015, there were 119 depository institutions, excluding credit unions, in Indiana compared to 124 at year-end 2014, 128 at year-end 2013, and 132 at year-end 2012. Of the 119 depository institutions at year-end 2015, there were 79 FDIC-insured state-chartered commercial banks, eight FDIC-insured state chartered savings banks, one FDIC-insured state chartered savings association, one FDIC-insured industrial loan and investment company. In addition, the bank and trust division had jurisdiction and regulation over one non-depository industrial loan and investment company, five corporate fiduciaries and three inactive industrial loan and investment companies. The corporate fiduciaries and inactive industrial loan and investment companies are not included in the consolidated financial information as of December 31, 2015.

Indiana's state-chartered financial institutions under the jurisdiction of the division reported total consolidated assets of \$47.8 billion at the end of 2015 which represented a 8.51% increase from the year-end 2014 total. Due mainly to the recovery from the recession, improvement is noted in the performance and condition of Indiana's financial institutions as reflected in most financial categories and ratios from year-end 2014 to year-end 2015. Increased interest income helped lift the earnings performance for financial institutions. In 2015, 2.52% of all Indiana financial institutions were unprofitable compared to 2.42% in 2014, 1.90% in 2013, 3.74% in 2012, and 8.26% in 2011. The aggregate provision to the allowance for loan and lease losses for all state-chartered banks decreased from \$272 million for 2010 to \$173 million for 2011 to \$93 million for 2012 to \$43 million in 2013 to \$34 million for 2014 and to \$34 million in 2015. National banks' loan provisions decreased from \$244 million for year-end 2010 to \$75 million for year-end 2011 to \$45 million for year-end 2012 to \$17 million for year-end 2013, to \$14 million for year-end 2014 and to \$13 million for year-end 2015.

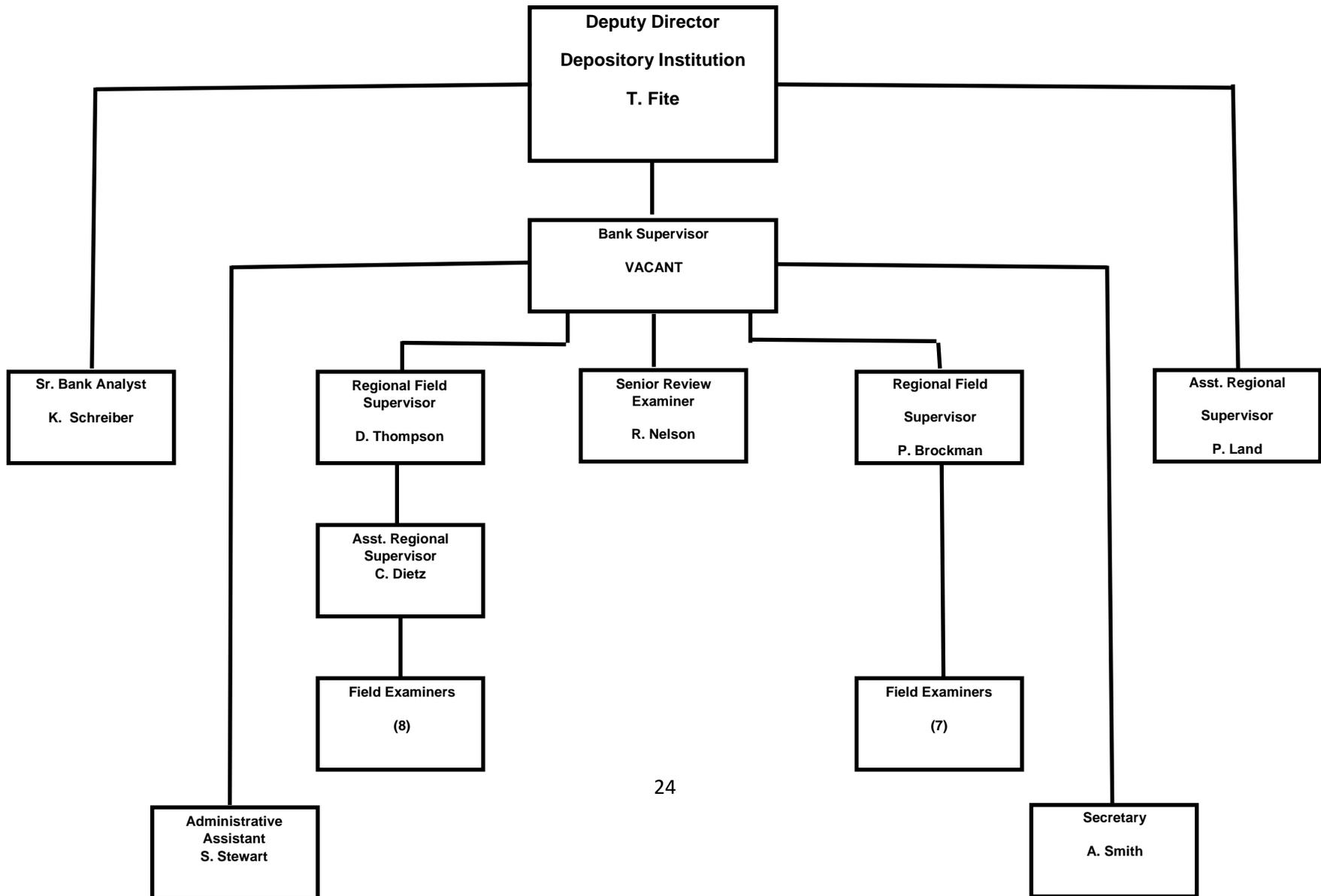
Bank liquidity continues to improve as institutions have reduced their reliance on noncore funding and liquid assets increase. Total deposits for state chartered institutions increased \$3.1 billion or 8.65% for 2015 compared to \$1.9 billion or 5.74% in 2014. As of December 31, 2015, the Loan to Deposit ratio for state banks was 87.07% and 81.55% for national banks.

The aggregate return on assets ("ROA") for state-chartered financial institutions in 2015 was 1.07%, up slightly from 1.03% at year-end 2014. National banks' aggregate ROA was also up slightly from 0.97% to 0.99% during the same time-frame. Net loan charge-offs of total loans and leases for state chartered financial institutions decreased slightly from 0.24% as of December 31, 2014, to 0.16% at year-end 2015. Net loan charge-offs for national banks also decreased slightly from 0.29% as of December 31, 2014, to 0.22% as of December 31, 2015.

Aggregate equity capital in Indiana's state chartered financial institutions increased 6.15% at \$5.16 billion at year end 2015, up from \$4.86 billion in 2014. The total equity capital to total assets ratio was 10.80% as December 31, 2015, down slightly from 11.04% at year-end 2014. National banks' aggregate equity capital was \$3.48 billion at year-end 2015. The total equity capital to total assets ratio for national banks increased from 11.98% at year-end 2014 to 12.44% at year-end 2015.

Consolidated statements of income and balance sheets for Indiana financial institutions, as well as other statistics and activity, can be found on the following pages.

BANK DIVISION



THE FINANCIAL INFORMATION TO COMPILE THIS SCHEDULE AND THE FOLLOWING FINANCIAL SCHEDULES WAS OBTAINED THROUGH THE FEDERAL DEPOSIT INSURANCE CORPORATION'S STATISTICS ON DEPOSITORY INSTITUTIONS DATABASE.

STATE CHARTERED BANKS COMPARATIVE STATEMENT

ACCOUNT DESCRIPTIONS	12/31/2015	%	12/31/2014	%	12/31/2013	%	12/31/2012
(In Millions of \$)	Change		Change		Change		
Assets	47,765	8.51%	44,017	6.78%	41,223	3.21%	39,939
Deposits	38,738	8.65%	35,653	5.74%	33,719	2.41%	32,925
Total Equity Capital	5,157	6.15%	4,858	9.74%	4,427	1.30%	4,370
Tier 1 Capital	4,516	0.00%	4,516	7.24%	4,211	6.04%	3,971
ALLL	444	0.00%	444	-2.63%	456	-5.39%	482
Total Capital	4,960	0.00%	4,960	6.28%	4,667	4.81%	4,453
Total Net Charge-Offs	55	-25.68%	74	8.82%	68	-38.18%	110
Total Gross Loans & Leases	33,730	9.78%	30,726	8.60%	28,293	6.61%	26,540
Total Securities	9,256	3.86%	8,912	1.48%	8,782	0.35%	8,751
Fed Funds Sold	177	-5.85%	188	27.03%	148	-41.50%	253
Interest Bearing Balances	1,579	17.40%	1,345	14.27%	1,177	-16.70%	1,413
Trading Account Securities	127	693.75%	16	23.08%	13	-31.58%	19
Total Earning Assets	44,419	9.02%	40,743	7.34%	37,957	4.01%	36,494
Total Interest Income	1,677	5.87%	1,584	3.33%	1,533	-3.22%	1,584
Total Interest Expense	159	-0.63%	160	-13.04%	184	-26.69%	251
Net Interest Income	1,518	6.60%	1,424	5.56%	1,349	1.20%	1,333
Total Non-interest Income	487	12.21%	434	-1.36%	440	-3.93%	458
Total Non-interest Expense	1,277	7.22%	1,191	3.12%	1,155	2.03%	1,132
Loan Provisions	34	0.00%	34	-20.93%	43	-53.76%	93
Net Income	505	12.22%	450	-0.88%	454	2.02%	445

ACCOUNT DESCRIPTIONS
(IN MILLIONS OF \$)

State National State National
12/31/2015 12/31/2015 12/31/2014 12/31/2014

Number of Banks

90 13 93 13

Consolidated Balance Sheet

Total Gross Loans & Leases	33,730	17,455	30,726	15,770
Total Allowance for Loans & Leases (ALLL)	450	179	444	177
Total Net Loans & Leases	33,280	17,276	30,282	15,593
Total Securities	9,256	7,067	8,912	6,972
Total Interest Bearing Balances	1,579	510	1,345	396
Total Fed Funds Sold/Repurchase Agreements	177	44	188	28
Total Trading Accounts	127	0	16	0
Total Earning Assets	44,419	24,897	40,743	22,989
Total Cash and Due From Bank	686	335	729	471
Total Premises and Fixed Assets	674	449	657	357
Total Other Real Estate Owned	74	39	84	44
Total Other Assets	1,912	2,260	1,804	2,086
Total Assets	47,765	27,980	44,017	25,947
Average Assets	47,368	27,388	43,597	25,673
Total Deposits	38,738	21,405	35,653	20,416
Total Fed Funds Purchased	761	1,315	710	1,126
Total Other Borrowed Funds	2,699	1,508	2,433	981
Total Subordinated Debt	25	0	1	0
Total All Other Liabilities	385	272	362	315
Total Liabilities	42,608	24,500	39,159	22,838
Total Equity Capital	5,157	3,480	4,858	3,109
Total Liabilities and Equity Capital	47,765	27,980	44,017	25,947

Number of Banks	90	13	93	13
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Consolidated Income Statement

Total Interest Income	1,677	926	1,584	894
Total Interest Expense	159	69	160	63
Total Net Interest Income	1,518	857	1,424	831
Total Non Interest Income	487	332	434	276
Total Non Interest Expense	1,277	811	1,191	764
Total Loan Provisions	34	13	34	14
Total Pre Tax Operating Income	694	365	633	329
Total Securities Gains/Losses	6	9	11	15
Total Applicable Income Tax	195	102	194	96
Total Income Before Extraordinary Items	505	272	450	248
Total Net Extraordinary Items	0	0	0	0
Total Net Income	505	272	450	248
Total Net Charge-Offs	55	39	74	46
Total Cash Dividends Declared	29	28	247	157

Ratio Analysis

Net Income to Average Assets	1.07%	0.99%	1.03%	0.97%
Net Income to Year End Total Equity	9.79%	7.82%	9.26%	7.98%
Net Interest Income to Average Assets	3.20%	3.13%	3.27%	3.24%
Total Loans to Total Deposits	87.07%	81.55%	86.18%	77.24%
Loan Loss Provisions to Total Loans	0.10%	0.07%	0.11%	0.09%
ALLL to Total Loans	1.33%	1.03%	1.45%	1.12%
Net Charge-Offs to Total Loans	0.16%	0.22%	0.24%	0.29%
Total Equity Capital to Total Assets	10.80%	12.44%	11.04%	11.98%
Total Equity Capital and ALLL to Total Assets and ALLL	11.63%	12.99%	11.93%	12.58%

ACCOUNT DESCRIPTIONS
(IN MILLIONS OF \$)

	State 12/31/2015	National 12/31/2015	ALL BANKS 12/31/2015	ALL BANKS 12/31/2014	% CHANGE
Number of Banks	90	13	103	106	
Combined Statement of Condition					
Total Gross Loans & Leases	33,730	17,455	51,185	46,496	10.08%
Total Allowance for Loans & Leases (ALLL)	450	179	629	621	1.29%
Total Net Loans & Leases	33,280	17,276	50,556	45,875	10.20%
Total Securities	9,256	7,067	16,323	15,884	2.76%
Total Interest Bearing Balances	1,579	510	2,089	1,741	19.99%
Total Fed Funds Sold/Repurchase Agreements	177	44	221	216	2.31%
Total Trading Accounts	127	0	127	16	693.75%
Total Earning Assets	44,419	24,897	69,316	63,732	8.76%
Total Cash and Due From Bank	686	335	1,021	1,200	-14.92%
Total Premises and Fixed Assets	674	449	1,123	1,014	10.75%
Total Other Real Estate Owned	74	39	113	128	-11.72%
Total Other Assets	1,912	2,260	4,172	3,890	7.25%
Total Assets	47,765	27,980	75,745	69,964	8.26%
Average Assets	47,368	27,388	74,756	69,270	7.92%
Total Deposits	38,738	21,405	60,143	56,069	7.27%
Total Fed Funds Purchased	761	1,315	2,076	1,836	13.07%
Total Other Borrowed Funds	2,699	1,508	4,207	3,414	23.23%
Total Subordinated Debt	25	0	25	1	2400.00%
Total All Other Liabilities	385	272	657	677	-2.95%
Total Liabilities	42,608	24,500	67,108	61,997	8.24%
Total Equity Capital	5,157	3,480	8,637	7,967	8.41%
Total Liabilities and Equity Capital	47,765	27,980	75,745	69,964	8.26%

**RETURN ON ASSETS (ROA) OF THE
STATE BANKS IN INDIANA 2015 VS 2014**

	2015			2014		
ROA (%)	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
OVER 1%	38	30,232	376	34	24,985	320
.75% TO .99%	22	12,481	104	27	10,930	94
.50% TO .74%	14	3,127	21	13	3,883	24
BELOW .50%	16	1,925	4	19	4,219	12
	90	47,765	505	93	44,017	450

**RETURN ON ASSETS (ROA) OF THE
NATIONAL BANKS IN INDIANA 2015 VS 2014**

	2015			2014		
ROA (%)	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
OVER 1%	2	18,591	198	3	20,208	204
.75% TO .99%	3	5,946	53	3	4,232	36
.50% TO .74%	6	2,833	19	5	957	6
BELOW .50%	2	610	2	2	550	2
	13	27,980	272	13	25,947	248

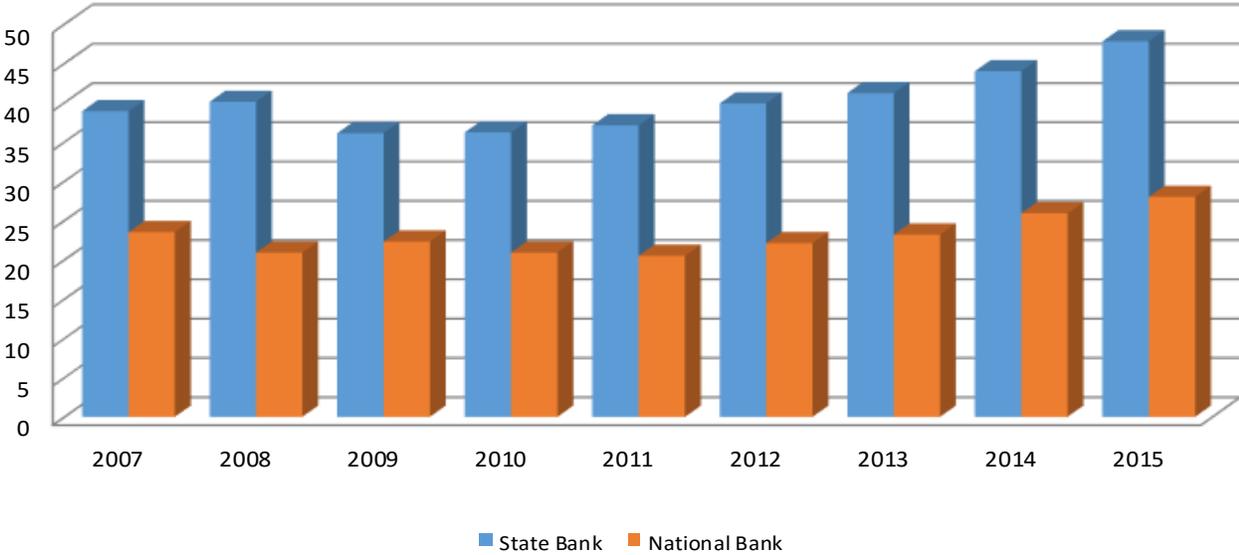
HOLDING COMPANY OWNERSHIP ANALYSIS

(In Millions of \$)

DATA AS OF 12/31/15

	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOSITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	10	0	\$801	1.06%	\$606	1.01%
IN HC W/One State Bank	79	79	\$46,890	61.91%	\$38,081	63.32%
National Banks w/o HC	1	0	\$305	0.40%	\$269	0.45%
IN HC w/One National Bank	10	10	\$24,240	32.00%	\$18,312	30.45%
TOTALS	100	89	\$72,236	95.37%	\$57,268	95.22%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	1	1	\$74	0.10%	\$51	0.08%
IN HC w/One or More National Banks	2	2	\$3,435	4.53%	\$2,824	4.70%
Sub Total	3	3				
Holding Company Duplications	0	-1				
TOTALS	3	2	\$3,509	4.63%	\$2,875	4.78%
OUT OF STATE MULTI-BK HOLDING CO.						
O-ST HC w/One or More State Banks	0	0	\$0	0.00%	\$0	0.00%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	0	0				
Holding Company Duplications	0	0				
TOTALS	0	0	\$0	0.00%	\$0	0.00%
GRAND TOTALS	103	91	\$75,745	100.00%	\$60,143	100.00%

Total Assets - State & National Banks (\$IN BILLIONS)



Year	State Banks Total Assets (\$ In Billions)	%	National Banks Total Assets (\$ In Billions)	%
2007	38.9	62.3%	23.5	37.7%
2008	40.1	65.7%	20.9	34.3%
2009	36.1	61.8%	22.3	38.2%
2010	36.2	63.4%	20.9	36.6%
2011	37.1	64.4%	20.5	35.6%
2012	39.9	64.4%	22.1	35.6%
2013	41.2	64.0%	23.2	36.0%
2014	44.0	62.9%	25.9	37.1%
2015	47.8	63.1%	28.0	36.9%

SUMMARY OF STATE BANK BRANCH OPENINGS IN 2015

Name	City	Address	City	State	Opened
Citizens State Bank of New Castle	New Castle	902 South Rangeline Road	Carmel	IN	1/5/2015
MainSource Bank	Greensburg	3205 East Third Street	Bloomington	IN	2/23/2015
Greenfield Banking Company	Greenfield	4181 East 96th Street, Suite 250	Indianapolis	IN	3/1/2015
First State Bank of Middlebury	Middlebury	17977 Cleveland Road	South Bend	IN	3/3/2015
Community State Bank	Royal Center	504 North Main Street	Walton	IN	3/30/2015
The New Washington State Bank	New Washington	400 Patrol Road	Jeffersonville	IN	4/29/2015
Ameriana Bank	New Castle	5915 North College Avenue	Indianapolis	IN	5/1/2015
Springs Valley Bank & Trust Co.	French Lick	867 North Gospel Street	Paoli	IN	5/4/2015
1st Source Bank	South Bend	555 East Jackson Boulevard	Elkhart	IN	6/15/2015
Centier Bank	Whiting	1 North Pennsylvania	Indianapolis	IN	7/2/2015
1st Source Bank	South Bend	2381 West Centre Avenue	Portage	MI	7/27/2015
MainSource Bank	Greensburg	3433 East Main Street	Richmond	IN	8/1/2015

SUMMARY OF STATE BANK BRANCH OPENINGS IN 2015

Name	City	Address	City	State	Opened
MainSource Bank	Greensburg	1051 West Spring Street	Brownstown	IN	8/14/2015
MainSource Bank	Greensburg	114 State Road 46 East	Batesville	IN	8/14/2015
MainSource Bank	Greensburg	101 East Elm Street	Union City	OH	8/14/2015
First Farmers Bank & Trust Co.	Converse	27 West Main	Flora	IN	9/8/2015
1st Source Bank	South Bend	902 Lincoln Highway East	New Haven	IN	9/14/2015
CentreBank	Veedersburg	111 North Water Street	Hillsboro	IN	10/1/2015
Centier Bank	Whiting	504 Broadway	Gary	IN	10/20/2015
Community State Bank of Southwestern Indiana	Poseyville	1128 East Church	New Harmony	IN	10/30/2015
MutualBank	Muncie	4916 Illinois Road, Suite 106	Fort Wayne	IN	10/30/2015
Salin Bank and Trust Company	Indianapolis	2825 South Washington Street	Kokomo	IN	12/14/2015
The Garrett State Bank	Garrett	502 South Gonser Street	Ashley	IN	12/22/2015
Lake City Bank	Warsaw	9640 North Michigan Road	Carmel	IN	12/28/2015

SUMMARY OF STATE BANK BRANCH CLOSINGS IN 2015

Name	City	Address	City	State	Closed
Salin Bank and Trust Company	Indianapolis	412 East Market Street	Logansport	IN	3/27/2015
Salin Bank and Trust Company	Indianapolis	3623 Braddock Drive	Lafayette	IN	3/27/2015
Bloomfield State Bank	Bloomfield	458 Broad Street	Newberry	IN	3/31/2015
Your Community Bank	New Albany	106A West John Rowan Boulevard	Bardstown	KY	4/17/2015
Your Community Bank	New Albany	119 East Stephen Foster Avenue	Bardstown	KY	4/17/2015
Centier Bank	Whiting	200 West Franciscan Drive	Crown Point	IN	4/30/2015
First Savings Bank	Clarksville	3711 Paoli Pike	Floyds Knobs	IN	5/15/2015
Community State Bank	Avilla	4134 West 100 South	Kimmell	IN	6/30/2015
Ameriana Bank	New Castle	1311 Broad Street	New Castle	IN	7/6/2015
Your Community Bank	New Albany	2910 Grant Line Road	New Albany	IN	7/17/2015
First Bank of Berne	Berne	304 East Monroe Street	Decatur	IN	8/28/2015
Peoples Bank, SB	Munster	195 East Highway 30	Schererville	IN	9/18/2015
Citizens Bank	Mooreville	445 South Indiana Street	Mooreville	IN	9/26/2015
Centier Bank	Whiting	1326 Broadway	Gary	IN	10/16/2015
Your Community Bank	New Albany	401 East Spring Street	New Albany	IN	11/20/2015
Farmers State Bank	Lagrange	115 West State Street	Ashley	IN	12/1/2015
Farmers State Bank	Lagrange	9520 West State Road 120	Orland	IN	12/1/2015
Farmers State Bank	Lagrange	280 South Wayne Street	Waterloo	IN	12/1/2015
Star Financial Bank	Fort Wayne	1651 East 29th Street	Muncie	IN	12/11/2015
Star Financial Bank	Fort Wayne	201 West Elm Street	Gaston	IN	12/11/2015

NEW STATE BANK SUBSIDIARIES ESTABLISHED IN 2015

Subsidiary Name	Bank Name	City	Purpose	Established
NSSB Real Estate Investment Company, Inc.	The North Salem State Bank	North Salem	Real Estate Investment Trust	2/1/2015
Logansport Investments, Inc.	Logansport Savings Bank, FSB	Logansport	Municipal Securities	6/3/2015
German American Investment Services, Inc.	German American Bancorp	Jasper	Investment Services	6/30/2015
SVB&T Properties, Inc.	Springs Valley Bank & Trust Company	French Lick	Real Estate Investment Trust	10/1/2015

CONVERSIONS IN 2015

Name	City	Old Charter	New Charter	Converted Name	City	Consummated
Crossroads Bank Federal Stock Savings Bank to State Commercial Bank	Wabash	Federal Stock Savings Bank	State Commercial Bank	Crossroads Bank	Wabash	12/31/2015

BRANCH OFFICE RELOCATIONS IN 2015

Name	From/To Address	From/To City	Moved
1st Source Bank	2904 John Howell Drive 2005 LaPorte Avenue	Valparaiso Valparaiso	11/23/2015
1st Source Bank	1806 East Lincolnway 2005 LaPorte Avenue	Valparaiso Valparaiso	11/23/2015
1st Source Bank	555 West Crosstown Parkway 200 West Michigan Avenue	Kalamazoo, MI Kalamazoo, MI	12/11/2015

MAIN OFFICE RELOCATIONS IN 2015

Name	From/To Address	From/To City	Moved
The First State Bank, Bourbon, Indiana	101 West Center Street 118 Ludwig Road	Bourbon Fort Wayne	2/1/2015
First Internet Bank of Indiana	8888 Keystone Crossing #1700 11201 USA Parkway	Indianapolis Fishers	11/16/2015

MERGERS IN 2015

SURVIVING INSTITUTION INSTITUTION MERGED/CONSOLIDATED	City	SURVIVING INSTITUTION NAME	City	Consummated
Your Community Bank First Federal Savings Bank of Elizabethtown, Inc.	New Albany Elizabethtown, KY	Your Community Bank	New Albany	1/1/2015
The First State Bank, Bourbon, Indiana iAB Merger Bank	Bourbon Fort Wayne	iAB Merger Bank	Fort Wayne	2/1/2015
IAB Financial Bank iAB Merger Bank	Fort Wayne Fort Wayne	IAB Financial Bank	Fort Wayne	2/1/2015
First Farmers Bank & Trust Co. Community Bank	Converse Hoopeston, IL	First Farmers Bank & Trust Co.	Converse	4/17/2015
First Farmers Bank & Trust Co. United Community Bank	Converse Oakwood, IL	First Farmers Bank & Trust Co.	Converse	4/17/2015
First Farmers Bank & Trust Co. The First National Bank of Chrisman	Converse Chrisman, IL	First Farmers Bank & Trust Co.	Converse	4/17/2015
Peoples Bank, SB Liberty Savings Bank, FSB	Munster Whiting	Peoples Bank, SB	Munster	6/30/2015
German American Investment Services, Inc. German American Financial Advisors & Trust Company	Jasper Jasper	German American Investment Services, Inc.	Jasper	6/30/2015
Beacon Credit Union Midwest Ag Finance, Inc.	Wabash Rushville	Beacon Credit Union	Wabash	6/30/2015
Your Community Bank The Scott County State Bank	New Albany Scottsburg	New Albany	New Albany	8/26/2015
First Merchants Bank, National Association Ameriana Bank	Muncie New Castle	First Merchants Bank, National Association	Muncie	12/31/2015

HOLDING COMPANY ACQUISITIONS IN 2015

Holding Company Name	City	Target Name	City	Consummated
Community Bank Shares of Indiana, Inc.	New Albany	First Financial Service Corporation	Elizabethtown, KY	1/1/2015
First Farmers Financial Corp.	Converse	Wellington Bancorp, Inc.	Springfield, IL	4/17/2015
First Farmers Financial Corp.	Converse	Oakwood Bancorp, Inc.	Springfield, IL	4/17/2015
First Farmers Financial Corp.	Converse	Chrisman Bancorp, Inc.	Springfield, IL	4/17/2015

ADDITIONS AND DELETIONS IN 2015

Name	City	Activity	Effective Date
iAB Merger Bank	Fort Wayne	Merged with The First State Bank, Bourbon, Indiana	2/1/2015
The First State Bank, Bourbon, Indiana	Bourbon	Merged with IAB Financial Bank, Fort Wayne	2/1/2015
German American Financial Advisors & Trust Co.	Jasper	Merged with German American Investment Services, Inc., Jasper	6/30/2015
Midwest Ag Finance, Inc.	Rushville	Merged with Beacon Credit Union, Wabash	6/30/2015
The Scott County State Bank	Scottsburg	Merged with Your Community Bank, New Albany	8/26/2015
Crossroads Bank	Wabash	Conversion from a Fed. Stock Savings Bank to a State Commercial Bank	12/31/2015
Ameriana Bank	New Castle	Merged with First Merchants Bank, National Association, Muncie	12/31/2015

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/15

DFIID	NAME	CITY	TOTAL ASSETS
263	Community State Bank	Avilla	\$217,713
161	Bath State Bank	Bath	\$143,030
53	Bedford Federal Savings Bank	Bedford	\$127,163
182	First Bank of Berne	Berne	\$594,933
280	BloomBank	Bloomfield	\$391,419
139	Boonville Federal Savings Bank	Boonville	\$46,696
229	Peoples Trust & Savings Bank	Boonville	\$163,864
37	The Farmers & Merchants Bank	Boswell	\$121,801
171	Community State Bank	Brook	\$60,893
284	The Farmers State Bank	Brookston	\$70,465
227	Hendricks County Bank & Trust Company	Brownsburg	\$152,184
149	The Peoples Bank	Brownstown	\$194,089
244	State Bank of Burnettsville	Burnettsville	\$40,670
39	Wayne Bank and Trust Company	Cambridge City	\$133,159
166	Merchants Bank of Indiana	Carmel	\$2,269,290
842	First Savings Bank	Clarksville	\$738,899
209	First Farmers Bank and Trust Company	Converse	\$1,474,514
144	The Fountain Trust Company	Covington	\$281,904
273	Hoosier Heartland State Bank	Crawfordsville	\$162,637
281	DeMotte State Bank	DeMotte	\$375,431
223	The Elberfield State Bank	Elberfeld	\$77,992
10990	The Peoples State Bank	Ellettsville	\$226,271
57	First Federal Savings Bank	Evansville	\$401,058
245	The Commerce Bank	Evansville	\$121,952
8	Citizens Exchange Bank	Fairmount	\$60,747
30	The Fairmount State Bank	Fairmount	\$43,017
7650	First Internet Bank of Indiana	Fishers	\$1,267,342
285	IAB Financial Bank	Fort Wayne	\$1,046,888
310	STAR Financial Bank	Fort Wayne	\$1,850,709
28	Fowler State Bank	Fowler	\$145,215
9	Alliance Bank	Francesville	\$296,992
205	The Farmers Bank	Frankfort	\$497,726
14	Mutual Savings Bank	Franklin	\$126,852
132	Springs Valley Bank & Trust Company	French Lick	\$322,560
233	The Friendship State Bank	Friendship	\$326,786
172	The Garrett State Bank	Garrett	\$212,171
146	Bank of Geneva	Geneva	\$224,106
277	Greenfield Banking Company	Greenfield	\$473,803

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/15

DFIID	NAME	CITY	TOTAL ASSETS
20216	Agri Business Finance, Inc.	Greensburg	\$68,955
143	MainSource Bank	Greensburg	\$3,385,483
155	Lake Federal Bank, FSB	Hammond	\$65,545
8800	Freedom Bank	Huntingburg	\$368,883
73	First Federal Savings Bank	Huntington	\$284,067
38	The Bippus State Bank	Huntington	\$142,041
10640	Indiana Business Bank	Indianapolis	\$68,266
179	Salin Bank and Trust Company	Indianapolis	\$788,797
291	German American Bancorp	Jasper	\$2,365,889
289	The Campbell & Fetter Bank	Kendallville	\$334,982
240	Kentland Bank	Kentland	\$294,455
10203	Community First Bank of Howard County	Kokomo	\$203,684
184	The LaPorte Savings Bank	LaPorte	\$534,447
9033	Lafayette Community Bank	Lafayette	\$162,013
253	Farmers State Bank	Lagrange	\$602,191
238	Farmers & Merchants Bank	Laotto	\$123,644
31	State Bank of Lizton	Lizton	\$362,797
83	Logansport Savings Bank, FSB	Logansport	\$172,544
121	LNB Community Bank	Lynnville	\$114,285
258	River Valley Financial Bank	Madison	\$517,072
252	State Bank of Medora	Medora	\$75,251
183	Farmers State Bank	Mentone	\$148,122
175	First State Bank of Middlebury	Middlebury	\$451,964
137	Peoples Savings & Loan Association, Monticello	Monticello	\$33,169
187	Citizens Bank	Mooreville	\$426,800
17	MutualBank	Muncie	\$1,477,141
80	American Community Bank of Indiana	Munster	\$189,757
649	Peoples Bank SB	Munster	\$865,273
194	The Napoleon State Bank	Napoleon	\$195,850
50	Your Community Bank	New Albany	\$1,549,647
224	Citizens State Bank	New Castle	\$493,632
235	The New Washington State Bank	New Washington	\$273,571
170	The North Salem State Bank	North Salem	\$244,817
33	Ossian State Bank	Ossian	\$95,505
207	First State Bank of Porter	Porter	\$144,504
168	Community State Bank of Southwestern Indiana	Poseyville	\$74,231
314	West End Bank, SB	Richmond	\$270,726
16	Tri-County Bank & Trust Company	Roachdale	\$187,834

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/15

DFIID	NAME	CITY	TOTAL ASSETS
35	Community State Bank	Royal Center	\$121,531
153	Spencer County Bank	Santa Claus	\$108,558
225	Jackson County Bank	Seymour	\$494,187
176	1st Source Bank	South Bend	\$5,176,308
311	Our Community Bank	Spencer	\$62,911
228	Owen County State Bank	Spencer	\$195,557
278	Grant County State Bank	Swayzee	\$130,869
293	Terre Haute Savings Bank	Terre Haute	\$317,389
317	The Morris Plan Company of Terre Haute	Terre Haute	\$74,306
270	CentreBank	Veedersburg	\$70,434
29603	Crossroads Bank	Wabash	\$332,498
222	Lake City Bank	Warsaw	\$3,756,070
215	Centier Bank	Whiting	\$3,128,427
282	Bank of Wolcott	Wolcott	\$153,427

FORMATIONS IN 2015

Incorporator(s)	Proposed Name	Proposed City	Consummated
Michael C. Marhenke	iAB Merger Bank	Fort Wayne	1/29/2015
Larry C. Tomlin	Berne Interim Sub, Inc.	Berne	8/17/2015

DIVISION OF CREDIT UNIONS

The Credit Union Division regulates and supervises state chartered credit unions under the authority of the Indiana Credit Union Act. The division's primary goal is ensuring the state chartered credit unions operate safely and soundly, and in compliance with state statutes.

PERSONNEL AND TRAINING

Credit Union Supervisor Mark Powell directs a division comprised of a highly trained, professional staff comprised of six field examiners.

The Credit Union Division continues to provide extensive training and professional development to its examiners. In 2015 division management and staff attended training sessions sponsored by both the National Credit Union Administration (NCUA) and the National Association of State Credit Union Supervisors (NASCUS). These sessions provided up-to-date training on bank secrecy act/anti-money laundering issues, current and emerging issues, investment/asset liability management issues, consumer, commercial and real estate lending, fraud detection, and effective problem resolution. These sessions also afforded an exchange of ideas and experiences with examiners from outside Indiana.

EXAMINATION AND SUPERVISION

With certain exceptions the division's goal is to perform an examination of each of our state chartered credit unions within a fifteen/twenty one month cycle. This goal was met during 2015. Examiners also performed several interim contacts at credit unions exhibiting problem areas. In addition to on-sight contacts, supervision occurred via monthly reporting to assigned examiners.

The division's approach to examination is "risk based." Each Examiner-in-Charge determines the scope at the onset of the examination, based on the perceived risk inherent in the credit union's operation. Factors involved in the scope determination include, but are not limited to: prior examination findings and ratings; perceived quality and stability of management; the complexity of the credit union's product offerings; results of the annual audit; and information provided by management on the pre-examination survey.

The division continues to use the CAMEL rating system, which assigns ratings for Capital, Asset Quality, Management, Earnings and Liquidity. These areas receive a rating of 1 (best) to 5 (worst). A composite rating derives from the component ratings, and examiners' overall assessment of risk.

Credit unions which receive a CAMEL composite of "3" or below must submit monthly reports to their assigned examiners. Examiners compile and analyze the information. Division management reviews and coordinates supervision efforts.

Communicating with management is an integral part of the examination process. An exit conference occurs at the conclusion of each examination. During this conference the examination findings are discussed with the management team and board of directors of the credit union. We believe this contact aids communication of the problem areas, and hastens resolutions.

The division continued to work cooperatively with the National Credit Union Administration (NCUA) and American Share Insurance (ASI). The NCUA and ASI are responsible for the deposit insurance programs that insure all of the savings (shares) held by Indiana state chartered credit unions. The NCUA and ASI perform insurance-risk reviews in coordination with the examinations performed by division staff. Credit union division management personnel meet with their NCUA and ASI counterparts regularly to discuss problem credit unions' progress, and schedule joint contacts.

INDUSTRY ASSOCIATIONS

The division continued to work cooperatively with trade associations and professional organizations devoted to the benefit of the credit union industry. As part of our commitment senior division and department staff attended several meetings with the Indiana Credit Union League to discuss potential legislation that would be proposed before the state legislature.

The division remains closely involved with the National Association of State Credit Union Supervisors (NASCUS). NASCUS promotes the dual chartering system, and the autonomy of state regulatory agencies. Credit Union Supervisor Mark Powell is a member of the Performance Standards Committee and has served as this committee's chairman in the past. During 2015 the division maintained its accredited status. The maintenance of accredited status involves extensive self-evaluation, prepared by examination and supervisory staff, and on-site review of the division's operation by NASCUS representatives. The division received unqualified approval of its operation during this review process. Indiana's Credit Union Division was the second state regulatory authority to receive NASCUS accreditation, in 1990, and we remain committed to the high ideals for which it stands.

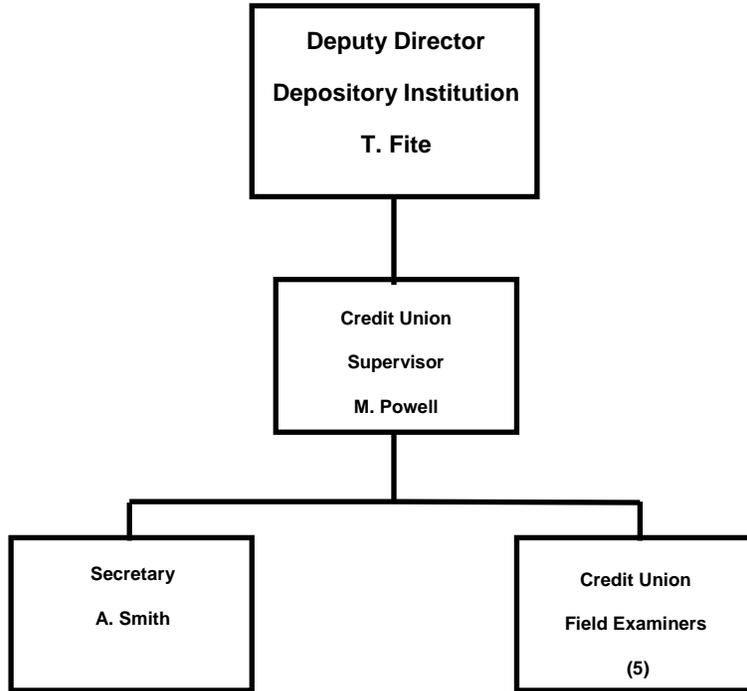
FINANCIAL TRENDS

As of December 31, 2015 there were 41 active state chartered credit unions. The combined total assets of these 41 credit unions as of December 31, 2015 were \$12,862M an increase of \$1,307M over December 31, 2014. This translates to an 11.3% increase in the total assets of all state chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$9,590M as of December 31, 2014 to \$10,651M as of December 31, 2015. This represents a growth in deposits of 11.1%. Member loans made by Indiana credit unions increased from \$7,860M as of December 31, 2014 to \$9,028M as of December 31, 2015. This represents an increase of 14.9% in loans to members.

THE FOLLOWING CREDIT UNION MERGED INTO ANOTHER CREDIT UNION SINCE THE LAST ANNUAL REPORT:

Richmond State Hospital Credit Union, Richmond

DIVISION OF CREDIT UNIONS



**CREDIT UNION ANNUAL REPORT 12/31/2015
BALANCE SHEET**

State Chartered Credit Unions
Indiana
Federally
Chartered
Credit
Unions

ASSETS	<u>12/31/13</u>	<u>12/31/14</u>	<u>12/31/15</u>	<u>12/31/15</u>
Loans	6,691	7,860	9,028	7,418
Less: Allowance for Loan Loss	(57)	(61)	(65)	(71)
Cash on Hand, Cash on Deposit, & Cash Equivalents	890	905	1,097	709
Federal Agencies & U. S. Government Obligations	1,612	1,610	1,420	872
Banks, Savings & Loan & Mutual Sav. Banks	382	355	334	932
Other Investments	547	402	503	474
Other Assets	454	484	545	577
TOTAL ASSETS	<u><u>\$ 10,519</u></u>	<u><u>\$ 11,555</u></u>	<u><u>\$ 12,862</u></u>	<u><u>\$ 10,911</u></u>
LIABILITIES				
Shares	8,996	9,590	10,651	9,377
Total Borrowings	298	593	696	274
Dividends Payable	1	1	1	1
Accounts Payable & Other Liabilities	85	95	105	118
TOTAL LIABILITIES	<u><u>9,380</u></u>	<u><u>10,279</u></u>	<u><u>11,453</u></u>	<u><u>9,770</u></u>
EQUITY				
Regular Reserve	551	589	639	186
Other Reserve	20	26	30	33
Accumulated Unrealized Gain/Loss	(11)	3	(1)	(3)
Undivided Earnings	579	658	741	925
TOTAL EQUITY	<u><u>1,139</u></u>	<u><u>1,276</u></u>	<u><u>1,409</u></u>	<u><u>1,141</u></u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 10,519</u></u>	<u><u>\$ 11,555</u></u>	<u><u>\$ 12,862</u></u>	<u><u>\$ 10,911</u></u>
Number of State Chartered Credit Unions:	44	42	41	
Number of Federally Chartered Credit Unions:	131	127	121	

**CREDIT UNION ANNUAL REPORT 12/31/2015
INCOME STATEMENT**

	State Chartered Credit Unions			Indiana Federally Chartered Credit Unions
INCOME	12/31/13	12/31/14	12/31/15	12/31/15
Interest on Loans	285	304	339	335
Less Interest Refunds	(1)	(1)	(1)	-
Income on Investments	34	36	34	33
Other Income	148	160	174	188
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOME	466	499	546	556
 EXPENSES				
Employee Compensation & Benefits	169	183	200	196
Travel & Conference	3	4	5	4
Office Occupancy	26	27	29	26
Office Operations	57	62	66	79
Educational & Promotional	13	13	14	15
Loan Servicing	17	19	21	48
Professional & Outside	28	31	36	34
Provision for Loan Losses	12	16	21	33
Members Insurance	1	-	-	-
Operating Fees	1	1	1	2
Interest on Borrowed Money	11	11	11	3
Corporate Stabilization & Insurance Premi	5	-	-	-
Other Expenses	12	14	14	9
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	355	381	418	449
 NET INCOME BEFORE TRANSFERS & I	 111	 118	 128	 107
	<hr/>	<hr/>	<hr/>	<hr/>
DIVIDENDS TO MEMBERS	56	52	53	41
 NET INCOME	 55	 66	 75	 66
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
 DISTRIBUTION OF NET INCOME				
Transferred to Regular Reserves	24	33	44	-

TOTAL CREDIT UNIONS ASSETS AS OF DECEMBER 31, 2015

Location	Name of Association	Total Net Assets
Bedford	Hoosier Hills Credit Union	434,533,899
Bloomington	Indiana University Credit Union	827,277,909
Bluffton	Bluffton Motor Works/Franklin Electric Employees Credit Union	1,531,074
Columbus	Centra Credit Union	1,294,289,765
Crown Point	Tech Credit Union	329,757,817
East Chicago	East Chicago Firemen's Credit Union	923,895
Fishers	Forum Credit Union	1,116,068,748
Fort Wayne	General Credit Union	80,083,057
Fort Wayne	Public Service Employees Credit Union	51,374,728
Goshen	Interra Credit Union	803,396,066
Hagerstown	Perfect Circle Credit Union	52,513,770
Hammond	Hammond Firefighters Association Credit Union	1,518,301
Indianapolis	Energy Plus Credit Union	31,192,794
Indianapolis	Family Horizons Credit Union	86,568,495
Indianapolis	Financial Center First Credit Union	512,192,035
Indianapolis	Firefighters Credit Union	62,102,188
Indianapolis	Harvester Credit Union	52,151,581
Indianapolis	Hoosier United Credit Union	20,177,838
Indianapolis	Indiana Members Credit Union	1,569,492,587
Indianapolis	Indianapolis Post Office Credit Union	56,318,616
Indianapolis	KEMBA (Indianapolis) Credit Union	67,813,276
Indianapolis	NorthPark Community Credit Union	59,781,344
Indianapolis	Professional Police Officers Credit Union	40,374,772
La Porte	Municipal Employees Credit Union	1,014,694
Lawrenceburg	Community Spirit Credit Union	13,794,000
Loogootee	Martin County Cooperative Credit Union	11,790,627
Marion	Via Credit Union	313,975,298
Merrillville	Members Source Credit Union	73,735,054
Michigan City	First Trust Credit Union	101,236,220
Michigan City	Members Advantage Credit Union	90,633,375
Mishawaka	Taper Lock Credit Union	36,002,624
Monroe	Adams County Credit Union	17,624,780
Muncie	Muncie Post Office Credit Union	831,790
Odon	Crane Credit Union	485,250,583
Richmond	NATCO Credit Union	74,860,630
Seymour	Jackson County Co-Op Credit Union	21,314,544
South Bend	South Bend Post Office Credit Union	9,435,326
South Bend	Teachers Credit Union	2,862,352,070
Sullivan	Western Indiana Credit Union	23,869,399
Wabash	Beacon Credit Union	1,161,681,586
Warsaw	United Credit Union	10,993,322
Net Assets - Includes Allowance for Loan Losses		12,861,830,477

DIVISON OF CONSUMER CREDIT DIVISION

Statutes and Rule administered by the Consumer Credit Division:

IC 24-4.4 –	First Lien Mortgage Lending
IC 24-4.5 –	Indiana Uniform Consumer Credit Code
IC 24-4.5-7 –	Small Loans (Payday Loans)
IC 24-7 –	Rental Purchase Agreements
IC 28-1-29 –	Debt Management Companies
IC 28-7-5 –	Pawnbrokers
IC 28-8-4 –	Money Transmitters
IC 28-8-5 –	Check Cashers
750 IAC 9 –	SAFE Rule

IC 24-4.4: First Lien Mortgage Lending

Under this statute, first lien mortgage lenders became subject to licensing requirements and periodic compliance examinations as of January 1, 2009. The statute applies to creditors funding their own transactions and does not apply to brokers licensed under the loan broker act. The purpose of the act is to: 1) permit and encourage the development of fair and economically sound first lien mortgage lending practices, and 2) make the regulation of first lien mortgage lending practices conform to applicable state and federal laws, rules, and regulations.

In recognition of the need for a nationwide monitoring system for the mortgage industry, the statute provides for the use of an automated central licensing system and repository, operated by a third party, to serve as the sole entity responsible for processing license applications and renewals, and performing other services necessary for the orderly administration of the Department's licensing system under the statute. Mortgage lenders make application for the license via the Nationwide Mortgage Licensing System (NMLS), with all licensing decisions made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.

Exempt Company Registration: Certain entities are exempt from licensure under the act, but employ mortgage loan originators, and a licensed mortgage loan originator must be employed by a licensed entity or an entity exempt from licensure. The exempt company registration was created to ensure certain mortgage loan originators were correctly employed and licensed.

IC 24-4.5: Indiana Uniform Consumer Credit Code

When an Indiana consumer borrows money from a bank or finance company, makes a purchase on installment credit, or leases a vehicle for personal use, the consumer is entering into a transaction that is regulated by the Indiana Uniform Consumer Credit Code (the Code). This means that the consumer must receive certain required disclosures, and there are limitations on the finance charge and other types of charges that may be imposed on the transaction. The Code has been in force since it was enacted in the 1971 session of the Indiana General Assembly. Ten other states have similar uniform consumer credit laws.

A stated purpose of the statute is to simplify, clarify, and modernize consumer credit laws. Additional purposes include:

- provide rate ceilings sufficient to assure an adequate supply of credit to consumers;
- further consumer understanding of the terms of credit transactions;
- foster competition among the various suppliers of consumer credit so that consumers may obtain credit at a reasonable cost;
- protect consumers from unfair practices arising from consumer credit transactions having due regard for the interests of legitimate and scrupulous creditors;
- permit and encourage the development of fair and economically sound consumer credit practices; and

CONSUMER CREDIT

- make the regulation of consumer credit transactions conform to the policies of the Federal Consumer Credit Protection Act.

The Code provides for regulation of all persons or entities regularly extending credit to individuals for a personal, family, or household purpose. Lenders are required to obtain a loan license from the Department, and other creditors are required to file a notification with the Department of their intent to extend consumer credit. To be covered, a transaction must have an amount financed that does not exceed an applicable threshold, or the debt must be secured by an interest in land or by personal property used or expected to be used as the principal dwelling of the debtor. The debt must be payable by written agreement in more than four installments or the debt must be subject to a finance charge.

First lien mortgages are exempt from the Code except for limited provisions applicable to depository institutions. The Code does not regulate transactions that are for agricultural, business, or commercial purposes.

GAP Administrators: GAP means Guaranteed Auto (Asset) Protection. This is a credit related product that may offer protections to consumers when they experience a total loss to their vehicle and the balance on the credit contract exceeds the actual cash value of the vehicle. If a consumer has purchased GAP coverage and suffers a total loss, the “gap” between the value of the vehicle and the balance on the credit agreement will be waived, subject to certain conditions and limitations.

Before a GAP administrator may offer this product in Indiana, the administrator and their product must be approved by the Department. There are disclosure requirements, fee limitations, and cancellation refund requirements associated with GAP products.

Debt Cancellation: A limited number of providers offer Debt Cancellation solely to depository institutions. This is a product that acts similar to credit insurance. The product is not insurance, but if certain events occur, the consumer is not obligated to pay the remainder of the balance on covered transactions. Triggering events include death or disability of the borrower.

IC 24-4.5-7: Small Loans (Payday Loans)

A certain segment of the population does not qualify for typical credit services because they have not established verifiable and reliable repayment practices. Other people may choose to bypass normal credit channels for relatively small loans for convenience reasons. If such people have steady employment and an active checking account, they can usually obtain loans from payday lenders. Payday loans range in size from \$50 to \$605, have a term of at least 14 days, and entitle the lender to hold a personal check or electronic payment authorization as security for repayment of the loans.

Because these loans are made without regard to the normal underwriting standards based on character, capacity to repay, and collateral, the transactions carry an enhanced repayment risk factor, and lenders are permitted to impose substantially higher finance charge rates than are permitted on normal credit transactions. These transactions have the highest finance rates permitted by statute.

IC 24-7: Rental Purchase Agreements

As an alternative to making a purchase on credit, a consumer may enter into a rent to own transaction for certain goods. These transactions allow consumers to rent household goods, with little or no credit check, take the goods home, and make periodic payments similar to credit transactions. In a rent to own transaction the consumer may return the goods to the rental store and cancel the transaction at any time. There is no legal obligation to remain in the transaction. However, if the consumer does remain in the transaction, and makes a specified number of payments, the consumer becomes the owner of the property that was rented.

CONSUMER CREDIT

The Rental Purchase Agreement Act regulates rent to own transactions in Indiana. The statute contains disclosure requirements and additional charge limitations to give consumers a measure of protection. Entities engaged in this business must be registered with the Department.

IC 28-1-29: Debt Management Companies

Consumers who find themselves overloaded with unsecured debt and struggling to manage personal financial matters may turn to a debt management company for assistance. These companies analyze the consumer's household financial condition, prepare a workable budget, enter into a contract with the debtor to pay creditors, and make payment arrangements with the consumer's listed creditors. Consumers then make one periodic payment to the debt management company, which in turn pays the creditors as arranged. Companies in this business must be licensed by the Department.

Debt Management Companies make application for the license via NMLS, with all licensing decisions made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.

IC 28-7-5: Pawnbrokers

A credit source available to any person with portable security is a pawn loan. Pawnbrokers make short term, generally small dollar amount loans, based on the value of the security offered for the transaction. The security must be portable because the pawnbroker must take possession of the security offered on a pawn loan, and must hold the security in a safe and secure manner. For this type of loan the borrower need not prove their credit worthiness via credit reports and income verifications. When consumers fail to repay pawn loans they forfeit the pledged item, which becomes the property of the pawnbroker. Pawnbrokers must obtain a license before doing business in Indiana.

IC 28-8-4: Money Transmitters

A common method for money to be sent over long distances between two individuals, with either person or both being un-banked, is by the use of a money transmitter. An Indiana consumer remits cash at an agent location in Indiana or via the Internet. In return they receive a money order payable to a third party, or they execute an order for funds to be wired to a specific location for receipt by a specific person. These services allow un-banked consumers to make money order payments to certain entities, and they allow consumers to electronically send money to any other person at almost any location on earth. Money transmitters who do business with Indiana consumers must obtain a license before doing business in Indiana.

Money transmitters make application for the license via NMLS, with all licensing decisions made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.

IC 28-8-5: Check Cashers

The services of a check casher are vital to individuals without a banking relationship who receive wages via a paycheck or other benefits via check or draft. Various types of checks are known to carry differing risk factors, so the cost to cash a check can vary based on the type of check and the issuer of the check.

Check cashers must obtain a license before doing business in Indiana. The chapter does not apply to a financial institution organized under IC 28 or federal law, and the chapter does not apply to a person principally engaged in the bona fide retail sale of goods or services if:

- (1) the person, either incidental to or independent of a retail sale of goods or services, from time to time cashes checks; and
- (2) the consideration charged for cashing checks does not exceed five dollars (\$5).

CONSUMER CREDIT

750 IAC 9 SAFE Rule: Mortgage Loan Originators

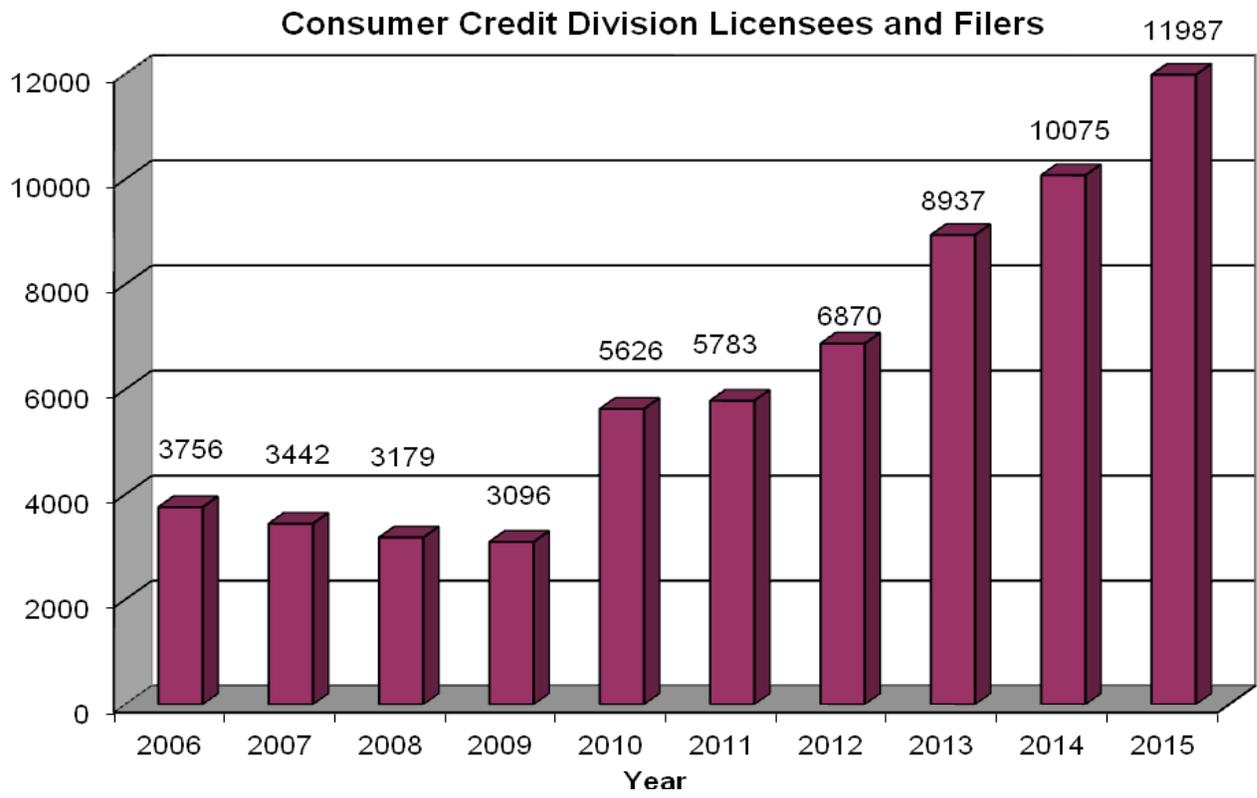
A person who takes a mortgage transaction application, or offers or negotiates rates and terms of a mortgage transaction meets the definition of a Mortgage Loan Originator. Under the federal SAFE law (Secure and Fair Enforcement for Mortgage Licensing Act of 2008), and corresponding DFI SAFE Rule, as of July 1, 2010, mortgage loan originators must be state licensed if they are employed by a state licensed lender.

To become a state licensed mortgage loan originator, an applicant must meet character and fitness requirements that include: providing fingerprints for a criminal background check, providing authorization for a credit report review, meeting prelicensing education requirements, and meeting assessment standards. To renew a license the mortgage loan originator must meet continuing education requirements.

NMLS developed a uniform state test to replace a state specific test, and this resulted in a dramatic increase in the number of licensed mortgage loan originators in Indiana.

CONSUMER CREDIT

Number of Licensees and Registrants as of December 31, 2015		
TYPE	NUMBER REGISTERED/LICENSED	NUMBER OF BRANCH LOCATIONS
LOAN LICENSES (NON-MORTGAGE)	58	213
SMALL LOAN LICENSES	35	333
RETAIL CREDITORS	1,978	2,134
RENTAL PURCHASE	58	273
DEBT MANAGEMENT	35	7
PAWNBROKERS	73	128
MONEY TRANSMITTERS	56	
CHECK CASHERS	34	431
FINANCIAL INSTITUTIONS	143	
GAP ADMINISTRATORS	60	
FIRST LIEN MORTGAGE	347	
SUBORDINATE LIEN MORTGAGE	93	
MORTGAGE LOAN ORIGINATOR	9,004	
DEBT CANCELLATION ADMINISTRATORS	5	
EXEMPT COMPANY MORTGAGE REGISTRATION	8	
TOTALS	11,987	3,519



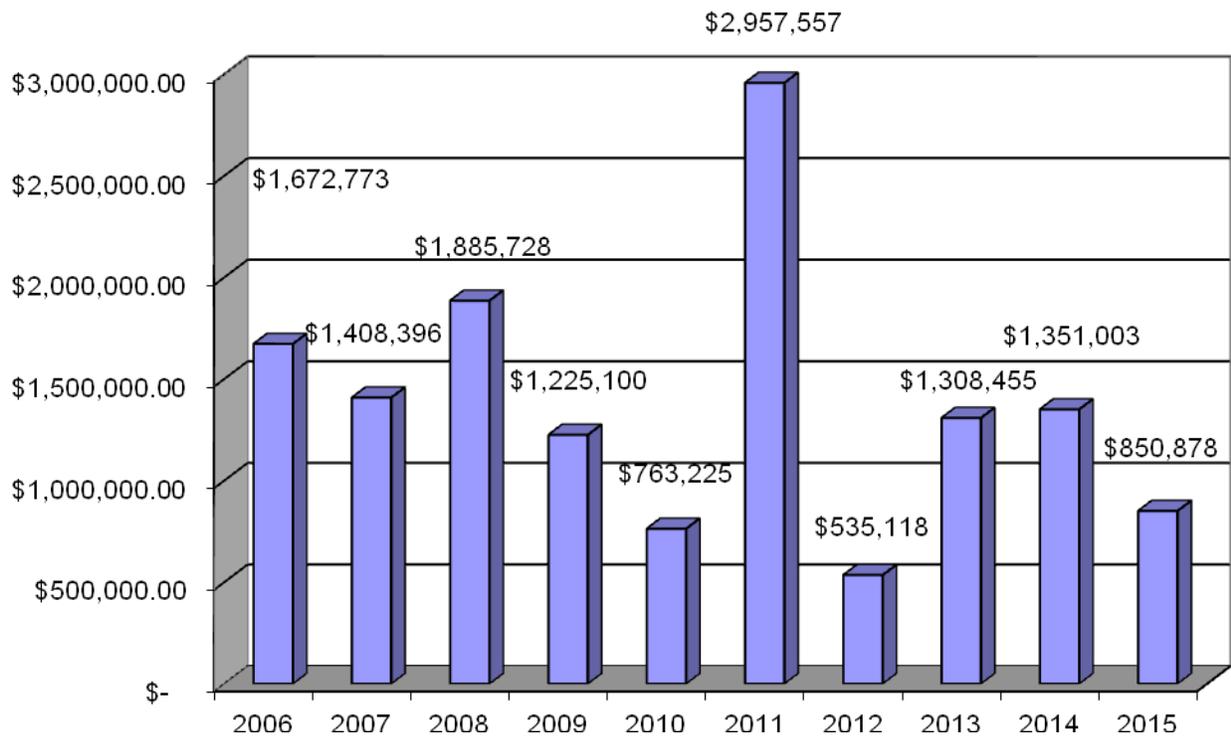
CONSUMER CREDIT

Examinations

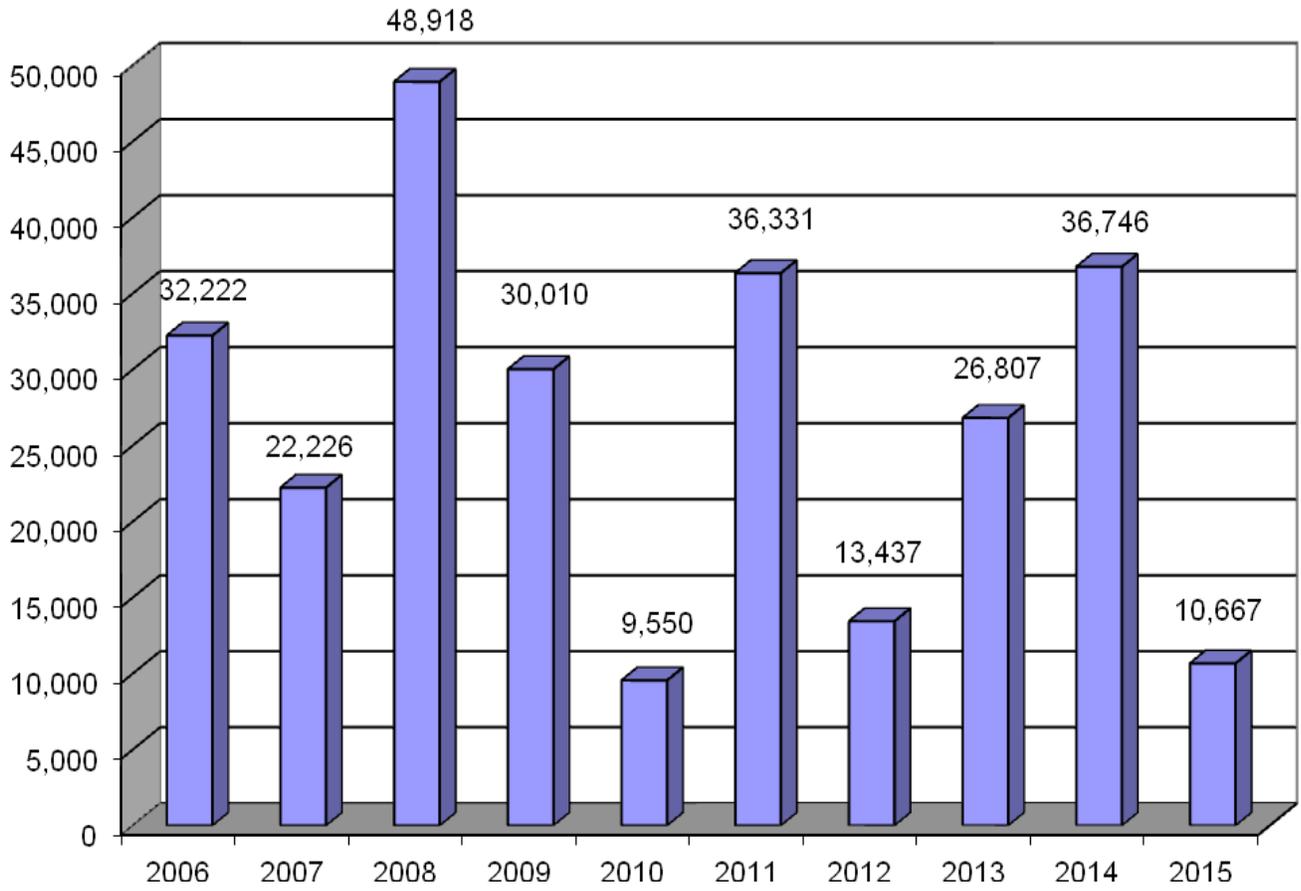
Licensed and registered entities are subject to periodic examinations to determine compliance with the statutes corresponding to their business type. As examiners discover violations they try to determine the cause, and obtain assurance from the licensees or registrants that future transactions will be made in compliance with applicable statutes. Preventing violations is considered to be as significant as citing violations for remedies.

Type of Examination	Number of Exams	Exam Hours	Number of Violations	\$ Amount of Violations	Number of Non-\$ Violations
Check Casher	16	168.25	851	\$ 14,873.61	5
Debt Management	13	209.00	369	\$ 75,470.49	40
Financial Institution	43	1,169.00	1,197	\$ 113,818.94	94
First Lien Mortgage Lender	93	1,754.75	39	\$ 13,519.79	39
Gap Administrator	0	0.00	0	\$ -	0
Licensed Lender	15	391.25	1,744	\$ 89,374.77	7
Money Transmitter	12	30.00	0	\$ -	0
Pawnbroker	32	547.25	2	\$ 25.72	38
Rental Purchase	14	252.25	565	\$ 7,871.89	25
Retail Creditor	535	3,899.25	5,376	\$ 511,920.64	213
Small Loan (Payday Loan)	15	940.50	524	\$ 24,001.66	22
Subordinate Lien Mortgage	23	112.25	0	\$ -	2
	811	9,473.75	10,667	\$ 850,877.51	485

Amount of Reimbursable Violations



Number of Reimbursable Violations



CONSUMER CREDIT DIVISION LICENSES ISSUED 2015

License ID	Loan Licenses	City	State	License Date
28616	Westlake Direct, LLC	Los Angeles	CA	20-Oct-15
28338	Mariner Finance LLC	Nottingham	MD	11-Sep-15
28195	Confident Financial Solutions Inc	Boulder	CO	28-Aug-15
27969	loanDepot.com, LLC	Foothill Ranch	CA	31-Jul-15
27418	OneMain Financial Group LLC	Baltimore	MD	4-Jun-15
26995	Earnest Operations LLC	San Francisco	CA	17-Apr-15
26922	Viewtech Financial Services, Inc.	Anaheim	CA	7-Apr-15
26921	Renew Financial Corp. II	Allentown	PA	7-Apr-15
26598	CFS of Michiana, L.L.C.	Elkhart	IN	4-Mar-15
26257	Nissan Signature Direct Finance LLC	Franklin	TN	4-Feb-15
26251	Great Rivers Community Capital Incorporated	Saint Louis	MO	30-Jan-15

License ID	Pawnbrokers	City	State	License Date
29333	Portman Jewelry & Pawn	New Albany	IN	14-Dec-15
29022	The Amy Michael Company Inc	New Albany	IN	9-Nov-15
27485	Hometown Ventures	Lowell	IN	11-Jun-15
26038	Easy Cash Pawn 2 Inc	Clarksville	IN	9-Jan-15

License ID	Money Transmitters	City	State	License Date
29356	HSI USA Inc.	San Francisco	CA	14-Dec-15
28267	Alipay US, Inc.	San Mateo	CA	8-Sep-15
28264	SEQR Payments, Inc.	Atlanta	GA	8-Sep-15
27996	Chime Inc.	New York	NY	31-Jul-15
27275	Microsoft Payments, Inc.	Redmond	WA	18-May-15

License ID	Check Cashers	City	State	License Date
26597	Norman and Judith Acord	Peru	IN	4-Mar-15

License ID	Small Loan Lenders (Payday Loan)	City	State	License Date
29388	Cash Central of Indiana, LLC	Dublin	OH	16-Dec-15
28684	Flurish Inc	San Francisco	CA	2-Nov-15

CONSUMER CREDIT DIVISION LICENSES ISSUED 2015

License ID	GAP Administrators	City	State	License Date
29332	Total Warranty Services	West Palm Beach	FL	14-Dec-15
29124	American Guardian Warranty Services, Inc	Warrenville	IL	18-Nov-15
28536	American Financial Warranty Corporation	Spring	TX	9-Oct-15
26735	Golden Eagle Insurance, Inc	Johnstown	OH	19-Mar-15
26596	Aeverex General Agency Inc	Irving	TX	4-Mar-15
License ID	First Lien Mortgage Lenders	City	State	License Date
29283	Fair Way Lending LLC	LOUISVILLE	KY	4-Dec-15
29127	ELending Group LLC	Chesterfield	MO	18-Nov-15
29128	Strive Lending, Inc.	Des Plaines	IL	18-Nov-15
28710	Skyline Financial Corp.	Calabasas	CA	2-Nov-15
28826	The Home Loan Expert, LLC	St. Louis	MO	2-Nov-15
28489	Deephaven Mortgage LLC	Charlotte	NC	25-Sep-15
28272	Hamilton Group Funding, Inc.	Sunrise	FL	8-Sep-15
28229	LendSure Mortgage Corp.	San Diego	CA	28-Aug-15
28197	Ventana Loan Services LLC	Gilbert	AZ	28-Aug-15
28133	Mortgage Bank of California	Manhattan Beach	CA	21-Aug-15
28065	Homestead Funding Corp.	Albany	NY	12-Aug-15
28064	Nudge Funding, LLC	Lindon	UT	12-Aug-15
28067	Paramount Equity Mortgage, LLC	Roseville	CA	12-Aug-15
27974	Homestar Financial Corporation	Gainesville	GA	31-Jul-15
27916	Fairway Asset Corporation	ROCKVILLE	MD	24-Jul-15
27910	R M K Financial Corp.	Rancho Cucamonga	CA	24-Jul-15
27854	Bay Equity LLC	Sausalito	CA	16-Jul-15
27654	Midland Mortgage Corporation	Columbia	SC	2-Jul-15
27599	Commonwealth Mortgage, LLC	Woburn	MA	26-Jun-15
27605	Home Servicing, LLC	Baton Rouge	LA	26-Jun-15
27536	Reverse Mortgages.com, Inc.	Columbia	MO	17-Jun-15
27419	MMW Holdings, LLC	Gulf Breeze	FL	4-Jun-15
27370	Nikkael Capital Corporation	Tustin	CA	1-Jun-15
27371	Resolution Capital, L.P.	Dallas	TX	1-Jun-15
27276	MLD Mortgage Inc.	Florham Park	NJ	19-May-15
27155	Chartwell Financial, LLC	Oak Brook	IL	6-May-15
27156	Synergy One Lending, Inc.	San Diego	CA	6-May-15
27154	USLending & Finance, Ltd	Downers Grove	IL	6-May-15
27049	Angel Oak Home Loans LLC	Atlanta	GA	17-Apr-15

CONSUMER CREDIT DIVISION LICENSES ISSUED 2015

25121	Siwell, Inc.	Lubbock	TX	7-Apr-15
26412	Secure Lending Incorporated	Cleveland	OH	12-Feb-15
26254	First Choice MH LLC	Oak Brook	IL	30-Jan-15
26253	Freedom Loan Services Corporation	Fishers	IN	30-Jan-15
26096	Alliance Financial Resources, LLC	Phoenix	AZ	16-Jan-15
26037	CME Lending Group LLC	Chesterton	IN	7-Jan-15
License ID	Subordinate Lien Mortgage Lenders	City	State	License Date
28955	Everett Financial, Inc.	Dallas	TX	6-Nov-15
28711	Skyline Financial Corp.	Calabasas	CA	2-Nov-15
28198	Stearns Lending, LLC	Santa Ana	CA	28-Aug-15
28066	Homestead Funding Corp.	Albany	NY	12-Aug-15
27921	Angel Oak Home Loans LLC	Atlanta	GA	24-Jul-15
27537	Stonegate Mortgage Corporation	Indianapolis	IN	17-Jun-15
26365	NFM, Inc.	Linthicum	MD	12-Feb-15
26036	Freedom Loan Services Corporation	Fishers	IN	7-Jan-15

Mortgage Loan Originators				
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3,322 MLO licenses issued in 2015

DIVISION OF ADMINISTRATION

The Division of Administration provides oversight and support in the areas of Fiscal Management; Human Resources and Staff Development; Facilities Management; Communications; Operations; and Information Systems.

Personnel costs and travel reimbursement continue to be the largest agency expenditures. A review of the Department's fiscal operations can be found in the Report of Revenue and Expenditures, which is located elsewhere in this report.

In order to attract and maintain a highly qualified, capable, and efficient work force, the Department actively recruits at many state colleges, universities, and career fairs. The Department is committed to staff development and utilizes a wide range of training resources to ensure a knowledgeable and well respected staff. Among the sponsors utilized on a regular basis are: the Education Foundation of State Bank Supervisors; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; the Federal Financial Institutions Examination Council; the Indiana Bankers' Association, the National Association of Consumer Credit Administrators; the Fiduciary Trust Institute; the National Credit Union Administration, and the National Association of State Credit Union Supervisors. These external programs provide excellent individual technical instruction.

The Department continues to pursue cost effective modes of training and information sharing opportunities with other State Banking Departments as well as our Federal Counterparts. The Department utilizes cost-effective training resources made available through The Conference of State Bank Supervisors; our Federal counterparts; and other third parties. These include a wide array of online training programs, webinars, and courses.

The Department's main office is located in downtown Indianapolis. In addition to the primary office, the Department maintains two district offices. One is located in Columbus, Indiana and the second is located on the northwest side of Indianapolis. The Department leases limited space in Ft. Wayne and South Bend. The Department continues to promote telecommuting as a cost-effective and efficient benefit for our mobile work force.

The Department continues to utilize technology as a way to become more efficient. Internal application development and participation in various national technology committees provides an ability to research and implement efficient technology initiatives.

The Department maintains a toll free telephone number and consumers and industry representatives who wish to speak with a staff member are encouraged to call (800) 382-4880 with their questions and concerns. General information is also available on our website at www.in.gov/dfi . Regular business hours are 8:00 am to 4:30 pm at our primary office located at 30 South Meridian Street, Suite 300, Indianapolis, IN.

DIVISION OF ADMINISTRATION

